DOCUMENT RESUME

ED 300 892 EA 020 374

TITLE	CUNY/SUNY Campus Child Care. Program Audit.
INSTITUTION	New York State Legislative Commission on Expenditure Review, Albany.
PUB DATE	Jun 88
NOTE	71p.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	*Ancillary School Services; College Role; Community Services; *Day Care Centers; Early Childhood Education; Grants; Higher Education; Money Management; Program Budgeting; Program Costs; Program Effectiveness; *Program Evaluation; Program Improvement; Program Validation; Social Services; *State Aid; State Standards; Student Needs
IDENTIFIERS	*Campus Child Care; City University of New York; *New York; State University of New York

ABSTRACT

The New York State Legislature provided $11.2 million to start up, renovate, improve, and/or operate child care centers on campuses of the City University of New York (CUNY) and the State University of New York (SUNY). The 60 child care centers had over 4,500 children enrolled for 1987-88, and 20 centers opened as a direct result of the state grants, while 5 new centers are expected to open in 1988. This audit reviews CUNY and SUNY grant funding to campus child care centers, evaluates adherence to guidelines established for campus child care, and presents information about the funding and operation of the centers. The legislature intends that CUNY/SUNY child care centers operate for the benefit of students with children, but the audit revealed (1) an absence of program guidelines that resulted in funding of services to nonstudents' children; (2) an increased use of grant funds for renovations, acquisition of supplies, and operating expenses; and (3) no express provision for community colleges, resulting in confusion over who falls within the guidelines; and (4) a lack of oversight to ensure that all guidelines are met. Tables and charts are included, and supplementary documentation is appended. (TE)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

B. Geizer

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

EA 020 374

STATE OF NEW YORK
LEGISLATIVE COMMISSION ON EXPENDITURE REVIEW
111 WASHINGTON AVENUE — ALBANY, NEW YORK 12210-2277
518-455-7410

SAUL WEPRIN
Chairman

JOHN J. MARCHI
Vice Chairman

JAMES J. HAAG
Acting Director

MEMBERS

WARREN M. ANDERSON
Temporary President, Senate

MELVIN H. MILLER
Speaker, Assembly

JOHN J. MARCHI
Chairman, Senate Finance

SAUL WEPRIN
Chairman, Assembly Ways and Means

JAMES R. TALLON, JR.
Assembly Majority Leader

JOHN R. DUNNE
Senate Deputy Majority Leader

MANFRED OHRENSTEIN
Senate Minority Leader

CLARENCE D. RAPPLEYEA, JR.
Assembly Minority Leader

DONALD M. HALPERIN
Minority Member, Senate Finance

JOHN C. COCHRANE
Minority Member, Assembly Ways and Means

DAVID S. MACK
Partner, The Mack Company

PETER C. HEIN

CUNY/SUNY CAMPUS CHILD CARE

SUMMARY AND CONCLUSIONS

The Legislature provided $11.2 million to start-up, renovate, improve and/or operate child care centers at the City University of New York (CUNY) and the State University of New York (SUNY). As of March 1988, 14 centers were located on CUNY campuses and 46 on SUNY campuses. The 60 child care centers had over 4,500 children enrolled for 1987-88. Twenty centers opened as a direct result of the State grants and five new centers are expected to open in 1988.

This audit reviews CUNY and SUNY grant funding to campus child care centers, evaluates adherence to guidelines established for campus child care and presents information about the centers' funding and operations.

The Legislature intends that CUNY/SUNY child care centers operate for the benefit of students--to allow those with children to return, continue or complete their educations. This intent is not fully met, since the program is funding services to non-students' children. This diversion from the targeted population is in part caused by arrangements that require non-students' children to be cared for in return for financial assistance and the absence of program guidelines that reconcile the competing goals of the different child care programs.

Moreover, existing guidelines do not expressly include community colleges. Because of the confusion over who the guidelines apply to and the lack of oversight to ensure that all of the guidelines are met, the State may be at risk for the centers' operations.

LCER staff found that centers used grant funding for renovations, acquisition of supplies and equipment, and center operations. The use of grant funds for operating expenses has increased steadily over the last four years, indicating that centers may continue to need State subsidization to remain open.

Program Intent

The goal of the grant program is to assist "non traditional" students--those with children--to return, continue or complete their educations. The grants are awarded for start-up, renovation, expansion and/or operation of child care centers on college campuses for the benefit of students.

Center Enrollment

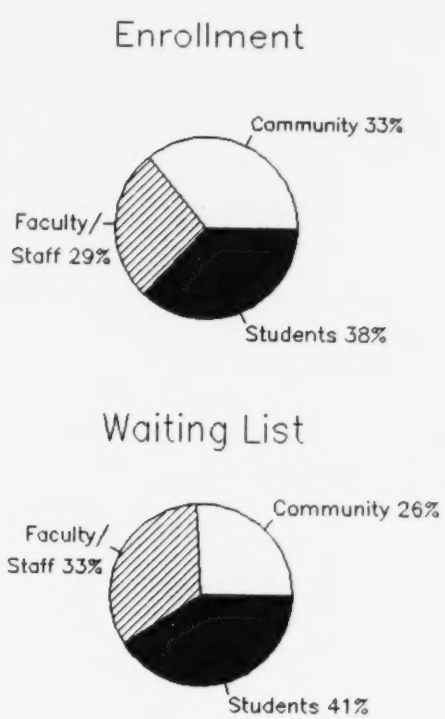
The grant funds were provided so that child care centers could be established and/or operated for the benefit of students. The Division of Budget (DOB) interpreted this intent to mean that centers could operate "primarily" for students, but has not defined "primarily". As a result there is diversity and inequity in the extent to which the target population is served. CUNY requires its centers to enroll at least 98 percent children of students. For the last three years, CUNY senior college centers served only students' children while its community colleges have enrollments of students' children averaging 96 percent. SUNY believes that its centers should serve both students' and employees' children with community children enrolled to fill vacancies. Eighty-two percent of the enrollment at SUNY community college centers in 1986-87 were students' children up from 79 percent in 1985-86. The projected enrollment for 1987-88 was 81 percent students' children. The SUNY State operated campus centers care of students' children has averaged 40 percent for the last four years. As indicated by Chart S-1, 38 percent of the 1986-87 enrollment at the SUNY State operated campus centers were children of students, with children of community parents close at 33 percent. The waiting list breakdown shows 41 percent students' children with faculty and staffs' children at 33 percent.

SUNY says that its centers are replacing non-students' children with students' children as they leave the centers; but the fact that, for the last four years, less than half of the enrollment at the centers has been students' children and there has been no measurable increase in the percentages negates this claim.

According to SUNY guidelines, centers are supposed to admit children of students, staff and faculty first and then community children only if there are vacancies. LCER staff found that some SUNY centers gave little or no preference to students' children.

Chart S-1

Percentages of Students, Faculty/Staff and Community Children Enrolled and Waiting at SUNY State Operated Campus Child Care Centers, 1986-87



Conflicts

Several factors inhibit children of students being the sole beneficiaries of these centers.

First, SUNY State operated campus centers are eligible for limited funding from the Statewide Labor Management Child Care Advisory Committee (SLMCCAC). This group, consisting of representatives of the State's major public employee unions and the Governor's office, awards grants to child care centers that serve children of State employees primarily. Because it would have been inefficient for two centers to operate on campus, one for students' children and one for State employees' children, funding is provided to centers that serve both populations. LCER staff found that 13 centers received SLMCCAC grants. In 1986-87, six centers received SLMCCAC funds amounting to 28 percent of their total grant funds while 32 percent of the children served were SLMCCAC's (faculty/staff) constituency. Yet, while SUNY contributed the other 72 percent of the grant funds only 40 percent of the children served were its constituency (students), proving that the ability of these centers to serve both students and State employees' children "primarily" is impossible.

Second, CUNY provided grant funds for two voucher systems, one at its Graduate School and the other at York College. Both these colleges provided funds, from grant money, to eligible student/parents for a portion of their child care costs at community providers. DOB approved these voucher systems for only a limited period because the intent of the program was to fund centers on-campuses. As of March 1988, neither voucher system was being used; York was renovating space on campus for a center and the Graduate School was using college funds to offset student/parent child care costs. SUNY has a similar voucher system at Schenectady County Community College where student/parents are given funds to offset child care costs while they attend classes. Though voucher systems provided child care for some students, they were less cost-effective than on-campus centers.

Third, grant funds will be used in 1988 to renovate a center at York which will be a combined headstart/campus child care program. In return for free space, the Agency for Child Development (ACD), a part of the Human Resources Administration, will operate the center and reserve half of the child care slots for ACD eligible students' children.

Guidelines for Campus Child Care Centers

Guidelines have been established for the operation of centers by DOB, the Appropriation Act and the universities.

The Appropriation Act requires that CUNY and SUNY submit plans for funding centers to DOB by May 15th of each year, operate for the benefit of campus students and match 35 percent of the grant funds with other revenues. Neither

CUNY nor SUNY met the May 15th deadline. All of the centers met the 35 percent matching requirement with either user fees or a combination of fees and fundraising.

All child care centers must be licensed by either the Department of Social Services or the New York City Department of Health. All centers in LCER's sample were appropriately licensed.

DOB's guidelines require that centers have liability insurance sufficient to protect the universities and colleges, have written permission for use of the space and have a lease or permit that holds the State harmless for center operations. In addition, centers must be separate from their college and be operated by a private nonprofit corporation. Because the SUNY community colleges do not comply with DOB guidelines, the SUNY community colleges visited did not have written permission for their space, did not have leases and were not all operated by separate non-profit corporations. All of the centers had insurance though there was a question of whether the State should be named as an "also insured" on the policies to protect it from liability.

The CUNY and SUNY centers also met other requirements. CUNY requires its centers to care for at least 98 percent children of students, encourages its centers to have sliding scale fees (fees that link the cost of care to the parent's gross income) and $1 million liability insurance. SUNY centers must meet State fire and health codes, have liability insurance that relieves the State and the University of financial liability, receive written approval for space used and participate in any audits completed by SUNY. In addition, centers at SUNY State operated campuses must have sliding scale fees.

Grant Funds

Centers have received funds for all types of things including equipment purchases, computer acquisition, playground equipment, supplies, renovation, capital improvements, staff development and operating expenses. Though not prohibited by the Appropriation Act, CUNY requires that its centers use grant funds for non-operating items. CUNY officials believe that because centers contract with non-profit corporations all expenses including personnel costs are non-operating. SUNY discourages the use of funds for operating expenses to prevent dependency, in the event funds are stopped. According to the 1988-89 Executive budget request for SUNY the grant funds are to be used for start-up and non-operating costs of centers. This new policy, which changes the intent of the Act which now allows grant funding of center operations, requires the approval of the Legislature.

LCER staff found that the use of grant funds for operating aid is on the rise indicating that centers might not be able to operate without them. At half of the centers visited, center staff confirmed this by telling LCER that they could not have operated without the State funds.

Before the Legislature removed this requirement, the centers would have had to become self-sufficient after three years of grant funding. The centers indicated that they would have raised user fees or increased fundraising to comply with the requirement. Both CUNY and SUNY believed that some centers would have had to close if the grant funds were terminated, yet both certified to DOB that the centers would have been self-sufficient when required.

CUNY's Grant Review Process

CUNY has two staff who review the grant proposals but does not have an advisory committee as DOB requires. The funds are distributed equally among all of the centers. Centers use a separate account for grant expenditures and, if a center has not spent its grant by mid-year, the funds are taken back and redistributed. Grant funds have been redistributed each year.

The grant process begins with the Legislature's appropriation in April and ends with the disbursement of the grant funds sometime in September. One problem is that CUNY centers receive grant funds before DOB has approved the required child care plans. Some center personnel complained of the length of the process and of strained relationships with their college administrations which resulted in the

centers not having as long to prepare their grant proposals or to make suggestions for the use of the grant funds. A Child Care Council, comprised of the directors of all of the CUNY campus centers, meets to discuss issues but does not have a formal role in the grant approval process.

CUNY monitors its centers periodically and is currently being evaluated, under a contract with the National Coalition for Campus Child Care, to determine if centers are: operating effectively; using grant funds efficiently; meeting the needs of students; operating quality programs when compared with national standards; and experiencing coordination and good relationships among the centers, CUNY central and the Child Care Council. Recommendations will be made in a report to be completed in 1988.

SUNY's Grant Review Process

SUNY has two advisory committees, one for its community college centers and another for State operated campuses. The committees are made up of representatives of the University, the colleges, child care experts and students. The committees meet annually to decide on the funding each center receives and to assist centers that are having problems. State operated campus centers are notified of the grant program, told of the requirements and asked to submit requests for funds with detailed plans on what the funds are needed for.

Grant requests are separated into non-operational and operational requests, with those for non-operating expenses given priority. As with CUNY, LCER staff heard complaints from SUNY center staff about the length of the process and strained relationships with their colleges.

SUNY does not monitor center operations; this is viewed as the responsibility of the individual colleges. At some of the centers visited by LCER staff, staff suggested that more oversight was necessary and that SUNY should monitor the centers' use of grant funds. In addition, it was suggested that centers be required to seek accreditation by the National Academy of Early Childhood Programs which sets national standards for child care centers.

Conclusion

Child care funds were provided to enable CUNY and SUNY State operated, senior and community college campuses to renovate, expand, start-up and/or operate child care centers for the benefit of children of students and to enable students with children to return or continue their educations. Since 1984-85, 17 CUNY and 49 SUNY colleges have received funding. State funds were cited as the reason that 20 campus centers began operating. Funds have been used for a number of items including equipment and supplies, renovations and capital expenses. The use of funds for operating expenses has been increasing.

Many non-students' children are being cared for at SUNY centers. LCER staff documented that students' children were awaiting care while centers served non-students' children. Not only are the centers not serving the intended population but grant funds are being used to subsidize non-targeted populations.

While both the headstart agreements and the three voucher systems assist some students with their child care needs, the intent of the Appropriation Act is that on-campus centers be accessible to all students and not just to qualified students based on criteria such as income and academic standing.

The receipt of SLMCCAC funding by some of the SUNY State operated campus centers has created a conflict. Centers, on the one hand, receive funds to help offset their costs and save on the need for two similar child care centers, but on the other hand, conflicting enrollment requirements have contributed to the declining enrollment of students' children at campus centers.

DOB drafted its guidelines before community colleges were funded and has not revised the guidelines to specifically include community colleges. CUNY requires all of its community college centers to follow the guidelines, but SUNY does not. It would be prudent for SUNY to require its community college centers to follow the guidelines thereby insuring that the State is not at risk.

CUNY reviews its programs periodically, takes back unspent funds and is having the child care program reviewed by a national consultant. SUNY reviews grant proposals but there is no formal monitoring of the centers and their operations. Some of the centers visited by LCER staff suggested that increased oversight by the universities was needed.

Staff Findings and Recommendations for Comment

Chapter 58 of the Laws of 1980 requires heads of audited agencies to report within 180 days of receipt of the final program audit to the Chairman of the Legislative Commission on Expenditure Review and the Chairmen and the Ranking Minority members of the Senate Finance Committee and the Assembly Ways and Means Committee on what steps have been taken in response to findings and conclusions and where no steps were taken, the reasons therefor.

1. Twelve of 16 SUNY State operated campus centers had waiting lists of students' children. Eight could have met the needs of all students' children if college faculty, staff and community children were not enrolled. The Appropriation Act stated the campus child care centers were for the benefit of students' children. DOB's guidelines interpreted the act to allow centers to operate "primarily" for students' children. CUNY defined "primary" as at least 98 percent students' children. SUNY allowed its centers to serve both students' and employees' children. (See pp. 9-13.)

2. For the last four years, the enrollment of students' children at the SUNY State operated campus centers has been around 40 percent. LCER staff found centers that did not admit children of students first and others that planned to open with more non-students' than students' children enrolled. The low percentages partially may be attributed to SUNY's (1) inadequate monitoring of the centers, (2) funding of existing centers that had non-students' children already enrolled, (3) approving the creation of centers at colleges that can not operate with only students' children enrolled, and (4) allowing centers to serve both students' and college employees' children. (See pp. 8-14.)

3. Both CUNY and SUNY centers have made commitments and entered into financial arrangements resulting in reduction of service to students' children. SUNY State-operated campus centers are eligible for funding that places priority on serving children of State employees. One CUNY center has entered into an agreement to have a campus center developed and operated by a New York City agency that will serve half students' children eligible for headstart and the other half non-students' children eligible for headstart. Both CUNY and SUNY have approved use of voucher systems, which conflict with the Legislature's intent of having on-campus child care for students.

   These factors illustrate that CUNY/SUNY child care centers deliver diverse and inequitable services to students' children. (See pp. 13-17.) It is recommended that:

   - **In reviewing the Appropriation Act, the Legislature may wish to reconsider if the care of non-students is appropriate under the scope of the Act.**
   - **DOB revise its guidelines and define "primarily."**
   - **Grant funds be linked to student benefits.**
   - **CUNY and SUNY assure the targeted population is cared for before grants are disbursed.**

4. The Division of the Budget's guidelines were drafted before community colleges received grant funds and do not expressly include community colleges. CUNY requires all of its centers to follow the guidelines while

SUNY has exempted its community colleges. The guidelines were meant to protect the State from liability and require, among other things, that the centers have liability insurance and have a lease or permit holding the State harmless. Yet, LCER staff found that eight of the 14 centers visited did not have permits holding the State harmless and centers' staff were confused as to whether the State should be named as an "also insured" on the center's insurance policies to limit the State's liability. (See pp. 19-23.) It is recommended that:

- **SUNY require its community colleges to comply with the DOB guidelines.**

- **CUNY and SUNY ensure that centers have permits for the space that hold the State harmless.**

- **CUNY and SUNY ensure that all of the DOB guidelines are met before grants are approved.**

- **DOB revise its guidelines to include the community colleges and decide whether the State needs to be named as an "also insured" as a means of protecting it from liability.**

5. Five of the centers visited said that more monitoring was needed. The problems with the high enrollment of non-students' children and the approval of grants when the guidelines have not been met, along with the center's recommendations, indicate the need for increased oversight by both CUNY and SUNY. CUNY monitors its centers periodically and has contracted with a consultant to review its child care program. SUNY relies on the annual grant proposals as a review of centers and believes that monitoring is the responsibility of the individual colleges. (See pp. 30-35.) It is recommended that:

   - **CUNY and SUNY establish a formal system for monitoring centers, to ensure that DOB guidelines are met, that centers are caring for the targeted population and that grant funds are used efficiently and as intended.**

6. CUNY/SUNY child care grant review can take up to eight months to complete. CUNY and SUNY have missed the May 15th deadline for submitting their plans to DOB. CUNY centers received grants before DOB approval and CUNY does not have the required advisory committee responsible for reviewing grant proposals and awarding grants. SUNY has two advisory committees, one for its community colleges and the other for State operated campus centers made up of members of SUNY central, child care experts and students. (See pp. 29-34.) It is recommended that:

   - **CUNY and SUNY make every effort to shorten the review process. The use of a formula based grant may be a means of decreasing the time spent preparing and reviewing grant proposals.**

   - **The Legislature may wish to consider approving the proposed change in the May 15th deadline to August 15th for both CUNY and SUNY.**

   - **CUNY should form an advisory committee and not continue the grant process until DOB approval has been received.**

TABLE OF CONTENTS

		Page
Summary and Conclusions		S-1
Foreword		ii
Chapter		
I	Introduction	1
	Background	1
	Program Intent	4
	Guidelines and Regulations	4
	Grant Funding	6
	Audit Scope and Methodology	7
	Chapter Summary	7
II	Child Care Centers for the Benefit of Students	8
	Center Enrollment	8
	Conflicts	13
	Chapter Summary	16
III	Funding Guidelines	18
	Appropriation Act	18
	DOB Guidelines	19
	University Guidelines	22
	Chapter Summary	23
IV	Financing Center Operations	24
	Centers' Expenditures	24
	Revenues	24
	Grant Funds	27
	Grant Disbursement	29
	Chapter Summary	35
Footnotes		36
Appendix		
A	Sample Design	37
B	Statistical Tables	39
C	Agency Responses	44

FOREWORD

The Legislative Commission on Expenditure Review was established by Chapter 176 of the Laws of 1969 as a permanent agency for among other duties, "the purpose of determining whether any such department or agency has efficiently and effectively expended funds appropriated by the Legislature for specific programs and whether such department or agencies have failed to fulfill the legislative intent, purpose and authorization." This program audit, CUNY/SUNY Campus Child Care, is the 173rd staff report.

The Legislature appropriated child care funds to CUNY and SUNY to enable State operated, senior and/or community college campuses to renovate, expand, start-up and/or operate child care centers to enable students with children to return to or continue their educations. The audit found that many students' children were awaiting care. The receipt of funds by some SUNY State operated campus centers for the care of State employees' children, the use of voucher systems and the combined CUNY headstart/campus child care centers have all resulted in fewer students' children being served. The centers are not always serving the intended populations and grant funds are sometimes used to subsidize non-targeted populations. DOB guidelines for center operations were drafted before community colleges were funded and do not specifically require their compliance. CUNY requires its community colleges to comply with the guidelines, but SUNY does not. Increased monitoring by CUNY and SUNY is needed to ensure that the guidelines are met, that centers are caring for the targeted population and that grant funds are being used efficiently and as intended.

Appreciation is expressed to staffs at the City University and the State University of New York who were very cooperative in the conduct of the audit. Appendix C includes the City University and the State University of New York responses to the audit.

The audit was conducted by Claudia Carroll, Chairwoman, and Gary Simpson. Linda Smith assisted during field visits. Stuart Graham supervised Quality Control. Karen McNamara handled layout and production. Word processing and graphic services were performed by Marilyn Kroma. Overall supervision was the responsibility of the Acting Director.

The Commission is interested in hearing from the readers of its audits. Any comments or suggestions should be sent to the Acting Director at the address listed on the inside cover of this audit.

The law mandates that the Chairmanship of the Legislative Commission on Expenditure Review alternate in successive years between the Chairman, Senate Finance Committee, and the Chairman, Assembly Ways and Means Committee. Assemblyman Saul Weprin in Chairman for 1988 and Senator John J. Marchi is Vice Chairman.

June 24, 1988

James J. Haag
Acting Director

I INTRODUCTION

In 1987, the City University of New York (CUNY) estimated that more than one quarter of its freshman were parents and that half of those freshman parents needed immediate care for their children. The State University of New York (SUNY) estimated that as many as 30 percent of its community college students were parents. SUNY was unable to estimate the number of student/parents attending its State operated colleges.

Campus child care centers were established to aid and attract "non traditional" students who wished to continue and/or complete their education but who have no one to care for their children. In addition, some of the campus centers are used by students of early childhood education for practical experience. In the United States, "Virtually no campus (child care) centers existed in 1975, but now forty percent of all campuses are said to offer some form of child care."[1]

As of March 1988, CUNY had 14 campus child care centers--eight of its 13 senior colleges and six of its seven community colleges had centers. CUNY's centers had 1,078 children enrolled for 1987-88, and all but nine were children of students.

SUNY has child care centers located at all four of its University Centers, ten of its College of Arts and Sciences, one at its Health Science Centers, three at its Colleges of Technology (hereafter called State operated colleges) and 28 at its 30 community college campuses. For 1987-88, these centers had 3,492 children enrolled, of which 2,184 or 63 percent were children of students. Figures 1 and 2 indicate the location of all CUNY and SUNY on-campus child care centers and those visited by LCER staff.

Background

In the 1984-85 budget the Legislature allocated $1.5 million for both the CUNY senior colleges and the SUNY State operated colleges for the "establishment, renovation, alteration, expansion, improvement or operation of child care centers...."[2] Since then a total of $7.0 million has been provided by the Legislature for CUNY senior and SUNY State operated campus child care centers.

A year later, in 1985-86, the Legislature provided both CUNY and SUNY with $500,000 for centers at the community colleges. The community colleges have received over $4.1 million for child care. Table 1 shows the appropriation history for the CUNY/SUNY child care program.

To date, grants have been provided to 17 CUNY and 49 SUNY colleges for child care. Four of the SUNY community colleges (Dutchess, North Country, Rockland and Suffolk) and two of the State operated colleges (Binghamton and StonyBrook) have more than one center on campus. (Hereafter the report will consider the multiple sites as one.)

Twenty centers opened as a direct result of the grants program and cared for 1,134 children in 1986-87 (see Table 2). CUNY and SUNY officials told LCER staff that these centers would probably not have opened without the grant funds. In addition, two CUNY and three SUNY campuses are planning to open child care centers in 1988.

Figure 1

CUNY Campuses With Child Care Centers
March 1988

Senior Colleges		Community Colleges
Baruch	Queens	Bronx
Brooklyn	Queens Law School	Medgar Evers
City	Staten Island	Hostos
Hunter[a]	York[b]	Kingsborough
John Jay[a]	Graduate Center	LaGuardia[a]
Lehman[a]	Medical School	Borough of Manhattan[a]
NYC Technical		Queensborough[b]

Campuses with child care centers
[a]Campuses visited by LCER
[b]Campuses planning centers

Exhibit I

Children in Child Care

Photos by LCER staff.

Figure 2

SUNY Campuses With Child Care Centers
March 1988

University Centers

- Albany[a]
- Binghamton
- Buffalo
- StonyBrook

Colleges of Arts and Sciences

- Brockport
- Buffalo
- Cortland[b]
- Empire State
- Fredonia
- Geneseo
- New Paltz
- Old Westbury
- Oneonta[a]
- Oswego
- Plattsburgh
- Potsdam
- Purchase

Health Science Centers

- Downstate Medical Center[b]
- Upstate Medical Center

Colleges of Technology

- Alfred
- Canton
- Cobleskill[a]
- Delhi
- Farmingdale[a]
- Morrisville
- Utica/Rome

Specialized Colleges

- Environmental Science and Forestry
- Maritime
- College of Optometry

Statutory Campuses[c]

- Agriculture and Life Sciences
- Ceramics
- Human Ecology
- Industrial and Labor Relations
- Veterinary Medicine

Community Colleges

- Adirondack
- Broome
- Cayuga[a]
- Clinton
- Columbia-Greene
- Corning[a]
- Dutchess
- Erie
- Fashion Institute of Technology
- Finger Lakes
- Fulton-Montgomery
- Genesee
- Herkimer
- Hudson Valley
- Jamestown
- Jefferson[b]
- Mohawk Valley
- Monroe
- Nassau
- Niagara[a]
- North Country
- Onondaga
- Orange
- Rockland[a]
- Schenectady
- Suffolk
- Sullivan[a]
- Tompkins-Cortland
- Ulster
- Westchester

Campuses with child care centers
[a]Campuses visited by LCER
[b]Campuses planning centers
[c]According to SUNY, Statutory campuses do not qualify for child care funds.

Table 1

Appropriation History for CUNY and SUNY State Operated, Senior and Community College Child Care Programs, 1984-85 to 1987-88

Fiscal Year	Appropriations: CUNY Colleges Senior	CUNY Colleges Community	SUNY Colleges State Operated	SUNY Colleges Community	Total
1984-85	$ 750,000	--	$ 750,000	--	$ 1,500,000
1985-86	750,000	$500,000	750,000	$500,000	2,500,000
1986-87	825,000	575,000	825,000	575,000	2,800,000
1987-88	1,095,000	930,000	1,260,000	1,065,000	4,350,000
Total	$3,420,000	$2,005,000	$3,585,000	$2,140,000	$11,150,000

Source: LCER staff.

Program Intent

The purpose of the program is to provide funding for the establishment and operation of on-campus child care centers for the benefit of students at the City University and State University campuses and to enable "non traditional" students (those who have children that need care) to begin, continue or complete their educations. Staff at 12 of the 14 centers visited by LCER staff said that assisting students with children continue their educations was an objective in opening the center. Many identified helping the "non traditional" student return to college as a goal. Other objectives included lab practicum for early childhood education majors and providing quality child care. The child care center personnel interviewed believed they were meeting their objectives.

Guidelines and Regulations

To receive funding, centers must follow the criteria of the Appropriation Act and the guidelines established by the Division of the Budget. Child care centers must also be licensed by either the State Department of Social Services or the New York City Department of Health.

The Department of Social Services

The Department of Social Services (DSS) has responsibility for licensing child care centers and ensuring the quality of care children receive. Section 390 (1) (a) of the State Social Services Law states that "...no place, person, association, corporation, institution or agency shall provide day care for three or more children without a permit therefor issued by the department." Part 418 of Title 18 (B) New York State Codes, Rules and Regulations established the standards for the operation of child care centers. Centers in New York City are regulated by the New York City Department of Health.[3]

Table 2

Campus Child Care Centers that Opened as a Result of Grant Funding, Opening Dates and 1986-87 Enrollment*

University	Opening Date	Enrollment
CUNY Community Colleges		
Borough of Manhattan	1984	70
CUNY Senior Colleges		
John Jay	1984	58
Lehman	1985	39
Queens	1986	80
SUNY Community Colleges		
Adirondack	1987	--
Fulton-Montgomery	1986	45
Hudson Valley	1986	35
Mohawk Valley	1986	21
Niagara	1986	60
North Country--Saranac Lake	1987	--
Orange	1986	82
Rockland--Haverstraw Campus	1986	43
Suffolk--Western Campus	1986	75
Westchester	1986	18
SUNY State Operated Colleges		
Buffalo Center	1985	54
Cobleskill	1986	52
Delhi	1985	201
Oneonta	1985	115
Oswego	1985	40
Plattsburgh	1985	46
Total Children Served at the Centers:		1,134

*Some of the enrollment data used were head counts and some were full-time equivalents.

Source: LCER staff from information provided by CUNY and SUNY.

The Division of the Budget

The Division of the Budget (DOB) has established specific guidelines for child care centers at CUNY and SUNY institutions. Among other things, DOB requires that centers serve children of students primarily, be located on-campus and not compete with child care centers in the community. DOB also requires that centers reimburse the college for costs related to the renovation of center space and that centers possess: liability insurance protecting the college and the university from potential liability, a lease or agreement holding the State harmless for the operations of the centers and written approval of the campus administration for the center's space.

Grant Funding

After following the established guidelines, centers must submit requests to their respective university's child care advisory committees for review and approval of grant awards.

CUNY

CUNY requires both its senior and community college centers to comply with all DOB guidelines. In addition, centers must serve at least 98 percent children of students and use a separate account for grant expenditures.

Two budget analysts (specializing in child care) review funding proposals and distribute the grants equally among all centers. CUNY notifies campuses in a "call letter" of the grant amount for which they are eligible and requests how the funds will be used. During the year, CUNY's budget analysts monitor centers' expenditures; and, if a center has not used its funds by mid year, the funds are taken back and redistributed.

SUNY

SUNY established two child care advisory committees, one for the State operated campus centers and another for the community college centers, each with responsibility for reviewing grant proposals and recommending funding.

The committees determine funding based on the amount requested and the total grant award. The Appropriation Act allows funding of any type of expenditure; however, SUNY officials stress use of funds for non-operational costs so that centers do not become totally reliant upon grant funds. Preference for funding centers is based on the following:

1) Capital projects that require two or three years of funding to complete,

2) Renovation and improvements necessary to bring a center into compliance with licensing requirements, and/or

3) Start-up of a new campus center.

Monitoring the centers is up to the individual campuses and the annual review of the grant requests is undertaken by the advisory committees.

Audit Scope and Methodology

This audit examines grant funding to child care centers at the CUNY and SUNY college campuses. It reviews CUNY and SUNY central administrations' disbursement of grants and the adherence of centers to established guidelines. LCER staff:

--Reviewed files maintained by CUNY and SUNY to determine each center's grant proposals, grant awards and adherence to guidelines.

--Visited a representative sample of five CUNY and nine SUNY child care centers[4] to observe the centers' operations, and to obtain information on grant funds, operating budgets and center enrollment. LCER staff also reviewed center operating licenses, leases or permits, incorporation papers, liability insurance, enrollment and waiting lists. (Sample selections are detailed in Appendix A.)

The audit did not evaluate any quality of care issues.

CUNY/SUNY enrollment data made available for this audit are not fully comparable among years and among different types of colleges. Accordingly, total numbers served by university should be viewed with this caveat in mind. There is more comparability within each of the categories of colleges (i.e., SUNY State operated, etc.), and within individual years. For example, subsequent detail provided in this report relates to SUNY State operated campus centers in 1986-87; for such a subgroup, there is more reliability.

Chapter Summary

- There was a need for child care among college students. The Legislature provided funding to CUNY and SUNY to start-up, expand and/or operate child care centers for the benefit of students.

- Since 1984, 17 CUNY and 49 SUNY colleges have been awarded grant funds. Because of the grant funds, 20 centers serving 1,134 children have opened on college campuses.

- Criteria other than those included in the Appropriation Act, have been established by DOB, CUNY and SUNY to decide on a center's eligibility for grant funds.

- All child care centers must either be licensed by the Department of Social Services or the New York City Department of Health.

II CHILD CARE CENTERS FOR THE BENEFIT OF STUDENTS

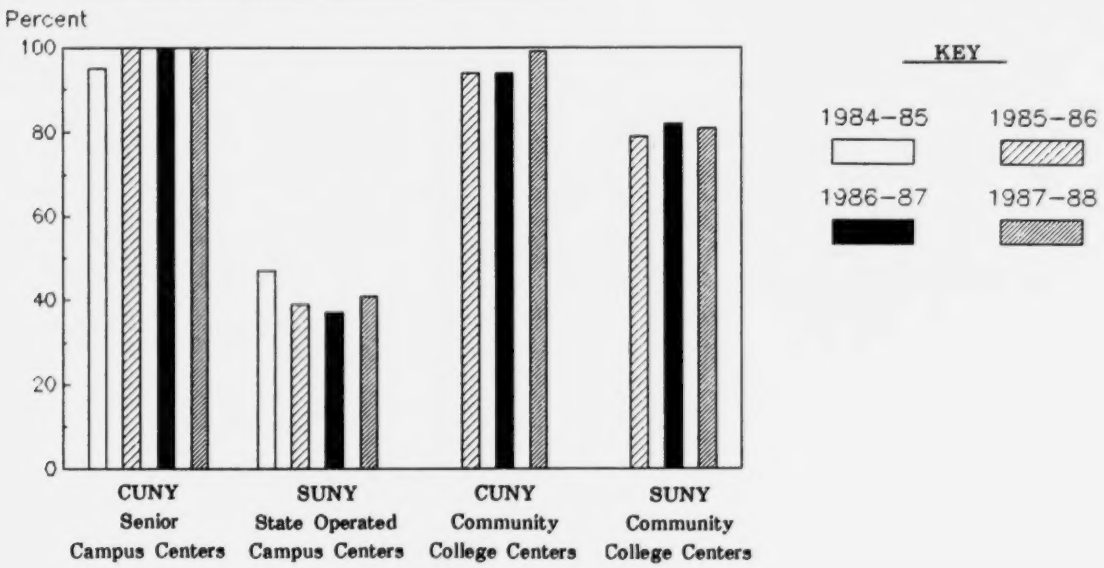
The Appropriation Act specifies that grant funds are to be used for child care centers that benefit students. DOB guidelines interpret this requirement to mean "...child care center(s)...shall operate primarily for the use and benefit of students enrolled at the campus..."[1] but may also serve the children of non-students. DOB has not defined what "primarily" means. And, as to be discussed, CUNY and SUNY define "primarily" in different ways.

Center Enrollment

Over 3,732 children were cared for at CUNY or SUNY campus child care centers in 1986-87. Sixty-nine percent were students' children. The enrollment data that were used in developing Chart 1 are not fully comparable and in some cases are estimates instead of actual data. Using percentages was the most appropriate way to compare these data.

Chart 1

Percentage of Students' Children Enrolled* in CUNY and SUNY Campus Child Care Centers, 1984-85 to 1987-88



*Enrollment is based on academic year. Some of the enrollment data used were head counts and some were full-time equivalents.

Source: LCER staff from data supplied by CUNY and SUNY.

Who are the Centers Serving?

CUNY requires its centers to serve at least 98 percent children of students. Since 1985-86, CUNY's senior college centers have reported serving only children of students. Its community colleges have averaged 96 percent (including the projected enrollment for 1987-88). (See Chart 1.) Only one of the community college centers had non-students' children enrolled. This center was told by CUNY to decrease the enrollment of non-students' children and has from 30 to nine. According to CUNY officials, this center only allowed non-students' children into the center after all student needs were met.

SUNY policy is that its community colleges should emphasize serving only students' children but its State operated campus centers should serve both students and college employees' children. If space is available then community children may be admitted to the centers. In 1986-87, students' children represented 82 percent of the enrollment at the SUNY community college centers up from 79 percent the previous year. The projected enrollment for 1987-88 was 81 percent children of students.

Under half of the enrollment at SUNY State operated campus centers, on the other hand, have been students' children. SUNY officials believe that the State operated campus centers are serving the needs of students but must also serve faculty and staff. They say that having two child care centers on campus would not be cost-effective. They also believe that the centers serving non-students' children can not just dismiss those children from the center but must wait until the children leave and then replace them with students' children. Also, according to SUNY officials, the non-students' children help to subsidize the centers, because their parents can usually pay higher fees than the students.

Chart 1 shows that the continued low enrollment of students' children at the State operated campus centers does not support SUNY's claims that centers are replacing non-students' children with students' children. SUNY officials said that the enrollment figures are one of the things that the advisory committee reviews and will tell a center if their enrollment of non-students is too high.

While visiting centers, LCER staff learned of one center that does not have a waiting list and currently is not operating at capacity due to lack of interest. That center has received grant funds to enlarge its facility and plans to admit community children to fill the center. Another example is a center that had not yet opened but received approval of a proposal that included a three-to-one ratio of non-students' to students' children. These cases exemplify conflicts with the goal of the grants program to operate centers for the benefit of students.

How are Children Admitted?

Of the five CUNY centers visited, four accepted students' children on a first come, first served basis and the other chose students' children randomly from a list. SUNY State operated campus centers are supposed to use the following priorities for admitting children:

--On-campus SUNY students and employees;

--Other SUNY students and off-site State employees (in the area); and then,

--Community families.

Of the four centers at SUNY State operated campuses visited, three accepted students' children first and then faculty and staff, State employees and community children but the other admitted children of staff members and siblings of currently enrolled children before students' children.

LCER staff noted that admission policies ran the gamut from one center that allowed children, once enrolled to receive continued care regardless of parent affiliation while another center required community children to re-enroll each year and assigned them the lowest priority.

LCER staff also found other discrepancies in SUNY State operated campus centers admission policies, including:

--One center that maintains a quota of half students', half staffs' children;

--One center that indicated that students' children would not be the primary beneficiaries of the centers;

--One center that admitted children on a first come, first served basis regardless of parent affiliation; and

--One center whose enrollment was 16 percent students' children and indicated they did not expect to increase student enrollment.

The SUNY community colleges try to serve only children of students in their centers but enroll non-students' children to fill vacancies. Of the five community college centers visited, one admitted only children of students and the other four enrolled students' children first. However, one of the centers tried to maintain a quota of 90 percent children of students and ten percent children of faculty and staff.

The campus centers care for children from six weeks to six years of age. Many of the centers are open only during the school year, with some open when classes are in session and closed during college breaks. Some centers provide Saturday and evening care for children of students.

Students' Children Awaiting Care

CUNY estimates that it is meeting only three percent of the need for child care. Based on information provided to LCER staff, approximately 900 children are awaiting care. As previously mentioned, all but one CUNY center cares for only children of students and this one exception is a center which has no waiting list.

SUNY has required that the centers at its State operated campuses submit their waiting lists, and based on this 1,078 children need care. SUNY has not required this information of its community college centers.

Because SUNY claimed that the centers at its State operated colleges were serving their students' needs first before admitting non-students' children, LCER staff reviewed the waiting lists submitted this past year and found that 12 of the 16 centers had students' children waiting admission. (See Table 3.) The 12 were serving non-students' children with seven of them serving a majority of non-students' children in 1986-87. Collectively, while these 12 centers were serving 606 children of non-students, 438 students' children still needed care.

Table 3

SUNY State Operated Campus Centers
Enrollment and Waiting Lists
by Category 1986-87

	1986-87 Enrollment				Waiting List		
	Children of				Children of		
Center Name	Students	Faculty/ Staff	Community	Non-Students*	Students	Faculty/ Staff	Community
Albany	24	16	16	32	64	48	8
Binghamton	30	45	75	120	52	57	-
Brockport	20	25	84	109	26	2	61
Buffalo Center	27	27	-	27	61	34	-
Buffalo State	68	12	-	12	44	4	-
Cobleskill	21	12	19	31	20	23	62
Delhi	14	15	16	31	-	-	-
Farmingdale	70	52	15	67	56	17	70
Fredonia	34	18	66	84	12	54	-
New Paltz	36	13	9	22	20	5	13
Old Westbury	30	13	11	24	-	4	-
Oneonta	28	23	64	87	-	-	11
Oswego	12	19	9	28	6	11	8
Plattsburgh	10	18	18	36	16	15	25
Purchase	6	12	11	23	-	-	-
StonyBrook	39	35	3	38	61	86	22
Total	469	355	416	771	438	360	280

*Non-students = Faculty/Staff + Community.

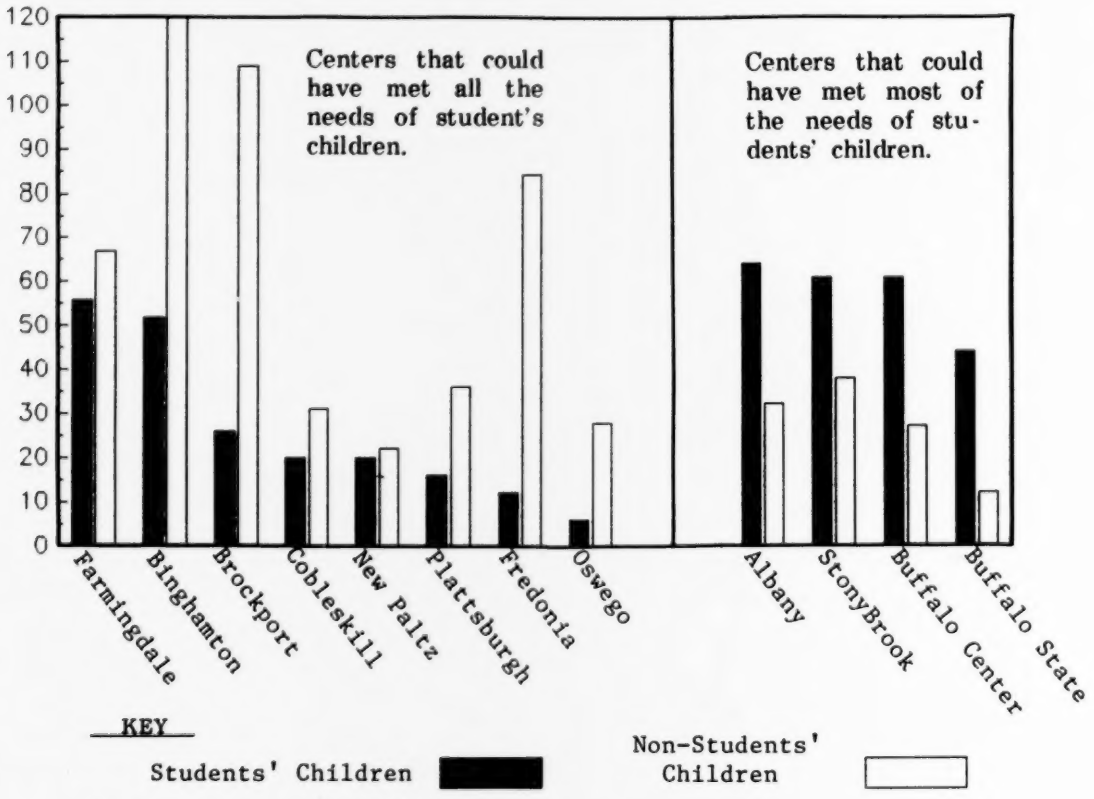
Source: LCER staff from additional information submitted by centers to SUNY.

Chart 2 shows that in most cases the number of non-students' children served at the centers is either equal to or greater than the number of students' children awaiting care. As shown, eight centers could have served all the children of students awaiting care, if they were not serving non-students' children. Four could have cared for at least some portion of the students' children in need, if fewer non-students' children were enrolled.

LCER staff also obtained waiting lists for the CUNY/SUNY centers visited and found that six of the ten centers, excluding those at the SUNY State operated campuses, had waiting lists with 336 children of students needing care. Four of the five CUNY centers had waiting lists and only served students' children. Of the two SUNY community college centers that had waiting lists, one center had 148 students' children waiting while it cared for 23 children of staff/faculty in 1986-87; the other center also had non-students' children enrolled with students' children waiting but the numbers were smaller--two children waiting and eight non-students' children enrolled.

Chart 2

Number of Students' Children Awaiting Care Compared to Non-Students' Children Served, 1986-87



Source: LCER staff from Table 3.

It is noted that waiting list counts may be incorrect because the number may include some individuals who found alternative care but did not remove their names from the lists and may not indicate casual inquiries or the number of students who need care but were unaware that child care was available.

There are many non-students' children cared for at SUNY campus centers while students' children need care. This conflicts with DOB requirements and the intent of the grant program.

Conflicts

Although the Legislature intended campus child care centers to benefit students, several factors have impeded the accomplishment of this purpose. For example, a number of the centers predated the Appropriation Act and these had non-students' children already enrolled. Other centers were established without a sufficient number of students' children to fill the center and non-students' children were admitted to fill the program.

Statewide Labor Management Child Care Advisory Committee Funds

Centers at SUNY State operated campuses are eligible for funding from the Statewide Labor Management Child Care Advisory Committee (SLMCCAC). This Committee is made up of members of the major public employee unions in the State including the Civil Service Employees Association, United University Professions, Council 82, Public Employees Federation and Management/Confidential Affairs. In their contract agreements each of these unions committed $3.7 million for development of on-site child care centers. SLMCCAC is responsible for deciding on eligibility and distributing grant funds. Guidelines established by SLMCCAC and approved by DOB are used as the criteria for judging eligibility and deciding grant amounts. The guidelines are similar to DOB's guidelines for CUNY and SUNY except for two conflicting requirements. SLMCCAC centers are required to be self-supporting after one year of grant funding and must serve children of State employees primarily. SUNY centers need not be self-supporting and are supposed to operate primarily for students' children. Because it would have been duplicative and costly to operate two centers on the university campuses, one for students' children and another for State employees' children, it was decided that colleges should have centers that served both populations, with students given priority. Although no one has defined what "primarily" means, the care of both students' and State employees' children "primarily" does not seem to be possible.

All SLMCCAC centers must incorporate with Empire State Day Care Services Corporation (Empire State) a private, non-profit corporation.

Since 1985, the grant proposals that centers submit to SUNY are also used by SLMCCAC to decide grant eligibility. Six of the 12 SUNY centers have not applied for SLMCCAC funding because they do not want to incorporate with Empire State and lose their autonomy.

Centers operating on SUNY State operated campuses are eligible for grant funds from SLMCCAC for start-up, liability insurance and equipment costs. A formula, based on licensed capacity, is used to decide on grant amounts. Grants of $19,550 are given for a 30 child center with an additional $300 for every child over that number. Centers that serve over 80 children are eligible for a one-time large center supplement of $5,000. Eight centers received $291,536 in funding from SLMCCAC between 1984 and 1986. In 1985 no

SLMCCAC grants were disbursed. Twelve centers, including four newly incorporated centers, are scheduled to receive $253,263 in 1987-88. According to SLMCCAC, the grant funds have been used by the SUNY centers predominantly for equipment and supplies.

As shown on Table 4, six of the centers receiving SLMCCAC funding serve more non-students' children than students' children which conflicts with the intent of the grant program and with DOB guidelines. In 1986-87, SLMCCAC provided 28 percent of the grant funding for six centers and 32 percent of their constituency (faculty/staff) were served. Although the SUNY grant makes up the other 72 percent only 40 percent of its constituency (students) were served.

Table 4

Centers that Received both SLMCCAC and SUNY Funding, Enrollment and Grant Awards

	Amount of Grant Funding				1986-87 Enrollment		
	SUNY (Total 1984-88)	SLMCCAC[a]			Children of		
		1984-85	1986-87	1987-88	Students	Faculty/ Staff	Community
Binghamton	$180,450	--	--	$59,350	30	45	75
Brooklyn Health and Science	209,550	--	--	40,450	--[b]	--	--
Buffalo Center	164,150	$16,500	$12,950	19,400	27	27	--
Buffalo College	104,750	--	--	25,550	68	12	--
Cobleskill	251,578	26,150	13,700	--	21	12	19
Delhi	163,433	14,200	16,150	1,017	14	15	16
Farmingdale	199,786	24,900	51,236	26,414	70	52	15
Oneonta	305,068	31,800	24,250	732	28	23	64
Plattsburgh	117,100	10,800	9,350	9,000	10	18	18
Potsdam	129,695	--	--	21,350	--[b]	--	--
Purchase	201,650	--	--	21,650	6	12	11
StonyBrook	532,262	23,000	--	10,950	39	35	3
Syracuse Health and Science	92,600	16,550	--	17,400	--[b]	--	--
Total	$2,652,072	$163,900	$127,636	$253,263	313	251	221

[a] No SLMCCAC funds were awarded in 1985-86.
[b] Centers are opening in 1988.

Source: LCER staff from information provided by SLMCCAC and SUNY.

Voucher Systems

Until this year, CUNY provided grants for two voucher systems, one at its Graduate School and the other at York College.

Because of the lack of space at the Graduate School, this campus was granted funds to offset the fees paid by eligible student/parents for child care at community providers. According to their proposal, the intent was to:

> ...meet the day care needs of some of our students through the grant mechanism, thereby: (1) avoiding the need to establish a physical center; (2) enabling the students (within the established procedures) to arrange for the most convenient day care service for them and their families; and (3) offering support on the basis of already established financial need criteria.[2]

Grants ranging from $75 to $150 a month, September through June, were provided to full-time doctoral students in good academic standing. Grants are paid directly to licensed non-profit child care centers. In 1985-86, 50 applications were received and 27 students received financial assistance. In 1986-87, 37 applications were submitted and 14 students were assisted. The required matching funds are met by the college. CUNY attributed the decline in the number of students receiving funds from 1985-86 to 1986-87 to the fact that the students could only get reimbursed if their children attended non-profit centers which are difficult to find in New York City.

In 1984-85 and 1985-86 York provided funds to 55 of its students to offset fees that they paid for child care in licensed off-site centers while a campus center was being renovated. According to their proposal:

> Students will be vouchered to take their children to off-site licensed child care centers that are conveniently located and have programs, hours, services... that best meet the student's needs. The centers will be inspected by qualified personnel to monitor site suitability...until 1987-88...when the Science Building [will be] vacated and renovated for an on-site child care center.[3]

However, on September 23, 1985, DOB wrote CUNY:

> The intent of the State support of this [child care] program was to subsidize the development of child care facilities on CUNY campuses. While we appreciate the fact that some colleges face obstacles in creating such a center on campus, each should be able to overcome such obstacles on a reasonable schedule.[4]

DOB permitted CUNY to fund a voucher system at York for two years and at the Graduate School for a maximum of three years from the date they started.

Both centers have stopped using vouchers. York is opening a center in conjunction with a headstart program and the Graduate School will still provide some type of funds to offset student child care expenses but it will use college and not grant funds.

Schenectady County Community College (a SUNY campus) has a voucher system that provides funding to some of its students for child care in the community. Student/parents are required to pay at least 35 percent of the cost of care while the rest is subsidized by grant funds up to a maximum of $218 per child per semester. The college was given

a grant of $10,000 and assisted 19 students during the fall 1987 semester with 28 receiving child care support in spring 1988.

Will voucher systems be approved for funding in the future? DOB officials said that they would have to consider each request on an individual basis. The voucher system diverts funds from on-campus child care centers and may delay a college from starting up a child care center that will ultimately assist more students than the voucher systems can.

Headstart Programs

CUNY is currently working out an agreement with the Agency for Child Development (ACD) of the Human Resources Administration to open a headstart child care center on the York campus. The center will be located in vacant space at York and will be licensed for 110 children, half to be headstart eligible children of students. York will receive a substantial sum from ACD for the use of the space. York will pay for the renovations and provide the heat, hot water, security and janitorial services. Other operating costs will be the responsibility of ACD. The center will seek reimbursement from USDA for food costs. CUNY has required that $3 million in liability insurance be carried by the center and that the State of New York and CUNY be named as additional insureds on the policy.

Although the center will care for 55 children of York students, the students must be ACD eligible which may preclude some students from receiving care for their children. Over $240,000 in grant funds were provided to this center for renovation of space that could serve 110 students' children but because of this arrangement will serve only 55. In other words, grant funds that were to be used for the benefit of students are being used to renovate space that will care for non-students' children as well.

LaGuardia's center is considering a similar contract with ACD for a headstart center that will serve some students but the center would be off-campus. Queensborough, which is currently renovating space on its campus for a child care center, is also considering an agreement with a headstart center.

CUNY thought that the State should consider combining headstart and campus child care centers as a means of reducing costs and providing child care. As with vouchers, DOB said it will consider headstart centers on a case by case basis and does not expect this to be a trend.

Chapter Summary

- The Appropriation Act requires that centers operate for the benefit of students but DOB guidelines allow non-students' children in the centers as long as centers serve children of students primarily. CUNY requires its centers to serve 98 percent children of students while SUNY allows non-students' children to attend the centers after student needs are met.

- The SUNY State operated campus centers have not met the intent of the grant program because children of students are not the majority of those enrolled at many of the centers. Also, while students' children await care, centers are serving non-students' children.

● Both CUNY and SUNY have waiting lists for their centers with over 1,300 children of students awaiting care. SUNY has not gathered information from its community colleges regarding the number of students' children that need care.

● There are several impediments to the centers serving the targeted population. SUNY State operated campus centers are eligible for funding from SLMCCAC but to accept funds, they must serve children of State employees primarily. Centers have received funds for voucher systems that provide student/parents funds to offset the cost of having their children cared for at community providers instead of establishing on-campus centers to meet more student needs. One center received a large grant to renovate space that will be used by a headstart agency; however, only half of its clientele will be ACD eligible students' children and the rest community children.

III FUNDING GUIDELINES

The Appropriation Acts, DOB and the universities have set criteria for providing grant funds to campus child care centers.

Appropriation Act

The Appropriation Act states that funding provided to CUNY and SUNY may be used for:

> Services and expenses related to the establishment, renovation, alteration, expansion, improvement or operation of child care centers at the State operated [senior] [community college] campuses ...[and programs] of the [city] state university of New York to [be operated] operate for the benefit of [city] state university of New York state operated [senior] [community college] campus students. Such payments shall be made pursuant to a [city] state operated [community college] campus child care plan submitted by May 15...and subject to approval by the director of the budget.[1]

Child Care Plans

The universities must submit annual plans to DOB documenting how the grants will be disbursed; how the centers will meet the 35 percent matching requirement; the name and location of the centers; the names of the directors and the campus liaisons; descriptions of the centers' programs, enrollment of students, faculty, staff and community children; and the centers' operating budgets. This report is supposed to be submitted on May 15th.

LCER staff found that although both CUNY and SUNY have submitted the required plans to DOB each year they have not met the May 15th deadline. DOB has received the plans in September but sometimes as late as November. The 1988-89 Executive Budget request, as amended, would change the deadline for report submission from May 15th to August 15th for CUNY but not SUNY.

Thirty-Five Percent Matching Requirement

The centers are required to match 35 percent of their grant amounts with other revenues. To do this centers use parent fees, in-kind contributions, proceeds from fundraising and student activity fees. Most CUNY community college centers received funds from New York City which were sufficient to meet the 35 percent requirement. Comparing the grant awards for 1986-87 and the financial data submitted by the centers with their 1987-88 grant proposals, LCER staff found that all of the centers met the matching requirement. Fifty-nine centers received grants in 1986 and used these sources for the matching requirement:

One -- its college,

Four -- either student activity fees or a combination of student activity fees and parent fees,

Six -- money from New York City, and

Forty eight -- parent fees.

CUNY has recommended that the 35 percent matching requirement be eliminated viewing it as a burden for its CUNY senior colleges who do not receive funding from the City.

DOB Guidelines

When funding of campus child care centers began in 1985, DOB established guidelines for the creation of centers and the disbursement of funds. Item G-260 of the Budget Policy and Reporting Manual indicates:

> In 1982, after careful study, the Division of the Budget and the Office of Employee Relations developed a comprehensive set of guidelines aimed at defining the State's policy for dealing with on-site day care centers, establishing requirements for day care centers, and protecting the State's legal and financial liability for centers operating on State property.... It has been determined, however, that child care centers located at the senior colleges and programs of the City University of New York and the State-operated campuses of the State University of New York present significant differences from day care centers located at other State agencies and institutions. Unlike the latter, child care centers at these public institutions of higher education do not operate specifically as employee benefit programs but rather serve primarily the children of their own students; are often linked to academic programs; and, beginning in 1984-85, may be eligible for limited start-up funding appropriated specifically for child care centers for the benefit of public higher education students.

The guidelines, drafted before the community colleges were eligible for funding, indicate that centers on SUNY State operated and CUNY senior campuses must comply, but the guidelines do not expressly include community colleges. The guidelines, however, state: "To promote the safe and efficient operation of all child care centers located at public institutions of higher education..."[2] which appears to encompass all centers at CUNY and SUNY campuses. CUNY requires all of its centers to follow the guidelines but SUNY expects only its State operated campus centers to comply.

To determine if a center is warranted and the number of children that need care, DOB requires that a needs assessment be completed. Eleven of the 14 centers in LCER's sample indicated that they completed a needs assessment, which included surveying students. The remaining three started as babysitting services and evolved into child care programs.

DOB requires that an advisory committee review and make recommendations regarding grants to campus centers. According to DOB, "On-site child care centers cannot be established or expanded without approval of these advisory committees...."[3] Two budget analysts, not a committee, are responsible for deciding on grant funding and reviewing proposals at CUNY. There is, however, a Child Care Council comprised of the directors of each of the CUNY campus child care centers and the Dean of Student Services at CUNY Central Administration. This group meets to discuss common interests, and provide input, when solicited, to the budget analysts reviewing and deciding on grant requests. The

Council does not make decisions on grant funding and its members seek a more active role in the funding process. At SUNY, two advisory committees, one for the centers at State operated campuses and the other for the community college centers, were established.

Prior to awarding grants, each university is required to ensure that the centers:

--Have all requisite licenses or certificates appropriate to their program. All child care centers must be licensed by the Department of Social Services or the New York City Department of Health.

All of the centers in LCER's sample had operating certificates.

--Be incorporated as, or be a financially independent subsidiary of a private non-profit corporation separate from the university.

The campus centers are usually incorporated with their college student service organizations such as the faculty-student associations or the student activities associations. Thirteen of the 14 centers visited were separately incorporated: two were operated under the auspices of the college's faculty-student association; six were operated by some other type of student services organization; three were operated by Empire State Day Care Services Corporation; and two were operated by private non-profit corporations not affiliated with the college. The one exception was a SUNY community college center that was operated by its college. SUNY does not hold its community colleges to DOB requirements.

--Have written approval from the campus administration for its space. DOB requires copies of these approvals.

Three of the five CUNY centers and the four SUNY State operated campus centers, in LCER's sample, had approvals from the campus. For the SUNY State operated campus centers visited, the approvals were contained in the revocable permits, and for CUNY senior and community college centers the approvals were agreements between the college and the center. Two of the CUNY centers did not provide copies of their agreements to LCER staff. The SUNY community colleges, although required by their guidelines, did not provide LCER staff with approvals.

--Have a lease or legally binding agreement for the space that the center occupies protecting the State from legal and financial liability for the center's operation.

Three of the five CUNY centers visited showed LCER staff a permit or contract that held the State harmless, the other two indicated they did not have a permit. The four centers at SUNY State operated campuses had revocable permits that included a "hold harmless" clause. The language of the permit is boilerplate according to SUNY and all of the State operated campus centers have a clause protecting the State. None of the five SUNY community college centers visited had permits and therefore no "hold harmless" clause.

--Have accident and liability insurance sufficient to relieve the university and college campuses from potential liability.

No one has defined what constitutes sufficiency. Centers visited had liability insurance ranging from $300,000 to $2 million. LCER staff questioned centers about naming the State and the universities as "also insureds" as a means of protecting the State from lawsuits. Three of the four SUNY State operated campus centers named the State as an "also insured" on their policies as did two of their community colleges. Three of the CUNY centers named the University, one named the State and the other named the college only. None of the 14 centers visited by LCER staff ever had a liability claim against it.

LCER asked why the CUNY centers were not required to name the State as an "also insured." CUNY replied, "The State and City set the guidelines for child care...neither official entity has requested child care liability coverage. Because the centers are on campus, the University is covered through existing policies."[4] SUNY claimed that "The contract model [a standard contract that centers may use] requires that the Child Care Center include the State University and the State of New York as additional named insured."[5]

Having the State named as an "also insured" means that the State is represented by the center's insurance company in the event that a lawsuit names the State as a defendant.

--Centers need not pay rent for space but must pay for costs over and above "normal" maintenance, cleaning and utilities provided by the colleges after three years of grant funding.

Twelve of the 14 centers visited by LCER staff received space rent free from the college. The two exceptions: one center rented space from a local YMCA and the other purchased a modular building. All but one center received utilities, maintenance and cleaning as in-kind services from the colleges. The exception, a center, housed in its own modular building, paid for its own maintenance and utilities. Also, one center noted that it paid for janitorial services beyond what the college provided as "normal" maintenance. In addition, some centers received salaries, benefits, postage, security, secretarial support and telephone services as in-kind contributions from their colleges.

--Reimburse the college for any renovation costs related to the child care center.

Twelve of the 14 centers visited indicated that their center required renovations. All but three paid for the necessary renovations, usually with grant funds. Of the three centers that did not, two were on community college campuses and did not adhere to the DOB guidelines and the third was not billed for the renovations even though it was a senior college and should have been charged.

As an example of the renovations needed, six centers were located in space previously used as offices or classrooms, seven occupied space vacated by the college and one leased its space from a local YMCA. Six centers reported that extensive renovations were needed before the center could open and six indicated that minor additions or alterations in space were needed.

The DOB guidelines also require that the centers be self-supporting after three years of grant funding, even though this is no longer required by the Legislature.

University Guidelines

Both CUNY and SUNY have criteria that, in some cases, reinforce, clarify or set up additional requirements for providing grants to centers.

CUNY's Guidelines for Funding

CUNY requires that both its senior and community college centers comply with DOB requirements, serve at least 98 percent children of students, meet the 35 percent matching requirement and be operated by non-profit corporations separate from the colleges.

CUNY encourages its centers to have sliding fee scales and to carry at least $1 million in liability insurance if possible. Only two -- one senior and one community college center -- of the five CUNY centers visited by LCER, had a sliding fee scale and three of the five had $1 million in insurance. In addition, according to CUNY's records, eight of the 14 CUNY centers (excluding the Graduate School and York where the voucher systems did not require insurance) had a minimum of $1 million in liability insurance. One center, according to CUNY records, "stated that insurance was too expensive for the college; because of the risks involved with being uninsured, the college is rethinking its decision." During the latter stage of the audit LCER staff checked with CUNY and found that the grants to this center were increased so it could afford insurance and the center now has coverage.

In addition, CUNY has developed a contract that centers may use as a model. It names the University as an "also insured" on the liability policy and agrees to protect the State, University and the college for the operations of the centers.

SUNY's Guidelines for Funding

SUNY requires its centers at State operated campuses to follow DOB guidelines and does not expect this of its community colleges. Since DOB guidelines are meant to protect the State, it would be prudent for SUNY to apply them to all its centers.

State Operated Campus Centers. Centers must meet all applicable fire and safety codes and show proof of accident and liability insurance which relieves the State and the University of legal and financial liability for the center. The contract that centers sign with their college usually specifies the amount of liability insurance that the center must have and, in the model that SUNY has developed, requires that the State and the University be named as "also insureds" and that the State be "held harmless" for the operation of the centers. Centers operate for the "benefit of students and employees" and admit children of on-site students and employees first, then children of off-site students and State employees and last children from the community. Centers must participate in any audits or reviews that are conducted. SUNY also requires that its centers have sliding scale fees based on need.

Community College Centers. Centers must:

--Have the appropriate licenses for operation of the center;

--Receive written approval for the space they occupy from the college administration;

--Have liability and accident insurance that is "sufficient to relieve the State, the University, and individual campuses from legal and financial liability in relation to the center's operation;"[8]

--Participate in any audits or reviews completed by SUNY;

--Comply with the Department of Social Services, the New York State Building and Construction Codes and the National Fire and Safety Code; and

--Match 35 percent of the grant funds with center revenues.

Chapter Summary

● Criteria for funding campus child care centers have been established by the Appropriation Act, DOB and the universities. The Appropriation Act allows grant funds to be used to establish, renovate, expand and/or operate campus child care centers but centers must match 35 percent of the grant with other revenues.

● DOB guidelines require centers to have a permit for the space they occupy that holds the State harmless for the centers' operation and have liability insurance sufficient to protect the universities and colleges from liability. There are questions about the protection of the State and the need to have the State named as an "also insured" on the insurance policies.

● CUNY requires all of its centers to follow the DOB guidelines while SUNY only requires compliance from the centers at its State operated campuses.

● CUNY requires that its centers serve at least 98 percent children of students and be operated by non-profit corporations. SUNY centers must meet fire and safety codes, have liability insurance that protects the State and the University from liability and have written approval for the space the centers occupy.

IV FINANCING CENTER OPERATIONS

CUNY and SUNY officials told LCER staff that the centers would continue to need funding from the State. The grant funds have helped to offset capital expenditures as well as operating costs. Centers reported not receiving the actual cost of care from student/parents and had to subsidize the difference in a number of ways including State funds.

Centers' Expenditures

Centers pay for salaries, benefits, nutrition, supplies, staff development, training and other related costs. One center estimated that 79 percent of its expenses were for salary and fringe benefits. As shown on Chart 3, at CUNY 65 percent of the sample center's costs were for salary and fringe benefits (personnel), while at SUNY centers 78 percent of the budget was devoted to personal service costs. At both CUNY and SUNY, the "other" category on the charts includes insurance, food, maintenance and other administrative costs.

Most of the centers indicated that they only received a fraction of the actual cost of care from student/parents who were unable to pay the full amount.

Centers visited reported that student/parents were at the low end of the fee scale. Seven sample centers reported their actual cost of care which ranged from $72.50 to $110 per week. However, student/parents were reported as typically paying between $35 and $65 a week for child care.

LCER staff asked six of the 14 centers, caring for mostly children of students, if they were serving fewer students' children and more children from either staff, faculty or the community, would they be doing better financially? The responses differed: the four that had sliding scale fees said that they might do better if those served were at the upper end of the fee scale. Of the other two, one had a standard fee and indicated they would start a sliding scale fee with the non-student population making up the differences in costs and the other center indicated that they would receive funding from outside sources to offset fees.

Revenues

Centers receive funding from a variety of sources including parent fees, fundraising (United Way and community organizations), United States Department of Agriculture (USDA) reimbursements, DSS funds, federal Vocational Education Act grants, student or faculty associations, student government funds and college in-kind services. At CUNY, 36 percent of the sample centers' revenue were grant funds. At SUNY, 20 percent were grant fund revenues. (See Chart 3.)

Sliding Scale Fees

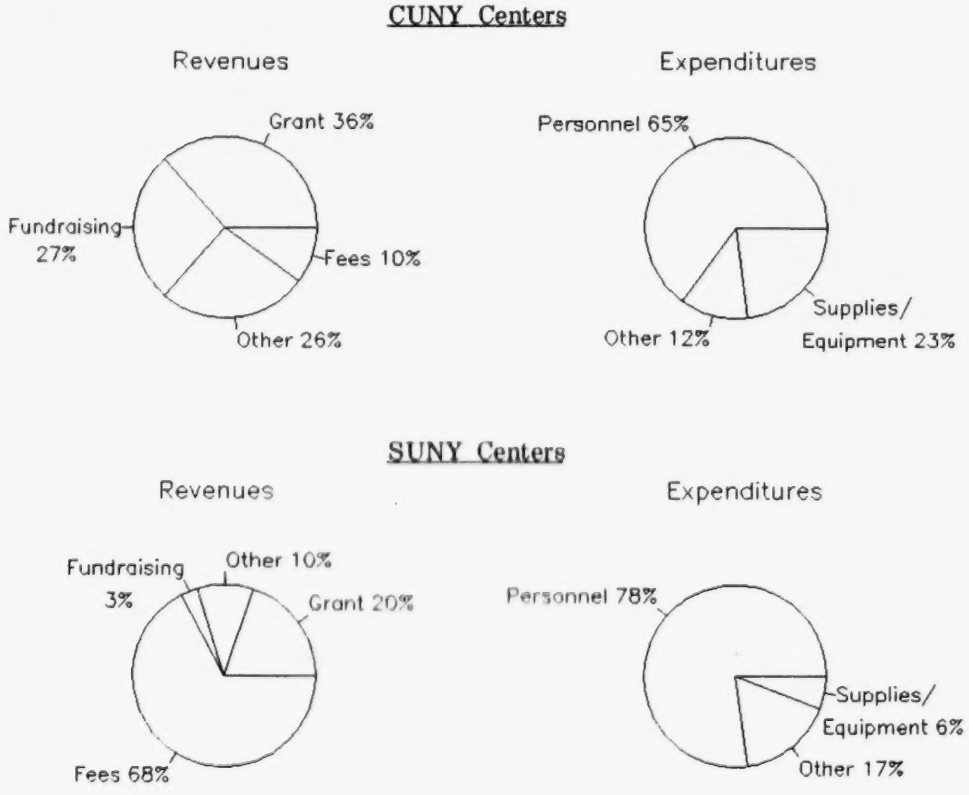
CUNY encourages its centers to have sliding scale fees and SUNY requires all its centers located at State operated colleges to have them. Of those visited, two CUNY and all four SUNY State operated campus centers had sliding scale fees.

In addition, LCER staff reviewed the fees that all SUNY State operated campus centers submitted to the Advisory Committee and found that all but one of the centers

had a sliding scale fee. A sliding scale fee provides for a payment schedule linked to a parent's gross income. Critics of the sliding scale fee say that it does not reflect the actual cost of care for a child forcing centers to subsidize the gap between the cost of a child's care and the fee that is paid. Only one of the four centers visited by LCER staff that gave average costs per child and had sliding scale fees, used the actual cost of care as the highest amount on their fee scale. All of the others used lower amounts. Some centers had a set fee for students and non-students that was based on hours of care. One CUNY center had never charged a fee but expects to initiate one in fall of 1988.

Chart 3

Description of Sample[a] Centers' Expenditures and Revenues[b] in Percents, 1986-87



[a]Excludes one SUNY community college center that did not submit the data requested.
[b]Grant funds were not always included with the financial data submitted and were added in.

Source: Operating budgets submitted by sample centers to LCER.

As illustrated by Chart 3, most of the SUNY centers' revenues came from user fees while only ten percent of the CUNY centers' revenues were user fees.

LCER staff heard complaints from the centers that the staff, with low salaries and few benefits, were helping to subsidize the centers. Nine of the 14 centers indicated to LCER staff that they thought that an increase in salaries and benefits for staff was essential to a quality child care program. Staff at four of the 14 centers visited thought that the colleges should pay the salaries of the directors or provide them with the same benefits as college personnel.

CUNY, in its 1988-89 budget request, asked for an appropriation to provide funding for full-time administrators at each campus child care center. Currently, three of its community college centers have directors on college lines. The senior colleges can not do this at present because they are allocated a finite number of college lines and putting the directors on lines would exceed their allocation.

Fundraising

Centers rely on bakesales, raffles and college donations to offset expenses. As an illustration of the extent to which fundraising is used, SUNY estimated that for 1986-87 its 26 community college centers received nearly 32 percent of their operating revenues or $261,803 in funds from student governments, faculty-student associations and/or the United Way. Chart 3 indicates that fundraising was 27 percent of CUNY centers' revenues.

USDA

Part 418.13 of Title 18(B) of the New York State Codes, Rules and Regulations requires that centers provide a nutritious meal and a snack if children are cared for more than four hours with additional meal requirements for longer care.

The United States Department of Agriculture (USDA) provides reimbursement to centers for the cost of their meals based on criteria established by the State using parent income and hours of care. Centers can receive reimbursement for the total cost of the meal or a portion of it depending upon the income of the parent. Not all of the centers are enrolled with USDA, some because of the paperwork involved, others because they have an exemption from DSS so they are not required to serve lunch and others provide nutritional snacks and children bring their own lunches.

Six of the 14 centers visited receive USDA funding. Of the eight that did not, one center was implementing USDA, one center was exempted from serving lunch and at the others children bring their own lunches and centers provide nutritious snacks. DSS, in a very limited number of cases, provides exemptions to centers that lack the space to provide meals or care for less than ten children. DSS inspects these centers to insure that the children receive proper snacks in lieu of meals.

Concern was raised that when children bring their own lunches they may not be eating appropriately. Two of the centers who had children bring lunches mentioned that if the children did not have a nutritious lunch they would provide them with one. Five of the centers do not serve lunches because they lack the facilities needed for food preparation.

Grant Funds

Centers have requested and received funding for all types of outlays including equipment purchases, computer acquisition and installation, capital improvements, expansion and renovation, playground equipment purchases, supplies and operating expenses.

Grant Funds for Operating Expenses

Chart 4 shows the trend in the percentage of centers receiving grant funds to support operating expenses. LCER staff considered program subsidies, salaries, benefits and nutritional expenses as operational items. Supplies and equipment purchases were not considered operational expenses, and if they had been the use of grants for operational items would be considerably higher. The chart indicates that both CUNY senior college campus centers and SUNY community college centers have increased their use of grant funds for operating expenses over the last four years. Five out of eight centers on CUNY senior college campuses received operating funds in 1984-85 increasing to seven out of nine in 1987-88. The percentage of centers at SUNY community colleges receiving operating aid declined a bit in 1986-87 to three out of 25 centers from five out of 22. Yet, last year that trend was reversed when ten out of 28 or 36 percent of the centers received operating assistance. Chart 4 shows that SUNY community colleges are far less dependent on grant funds for operating expenses than any of the other colleges.

Although the chart indicates that receipt of funds for operating assistance at centers on CUNY community college campuses is declining, in reality it is a decrease from all six of its centers using the grant funds for operating aid in 1985-86 to six of seven (a new center is starting up) receiving operating assistance. The SUNY State operated campus centers have decreased their use of funds for operating aid.

CUNY says it will not fund operating expenses for the centers, except if the funds are needed to pay for contractual services provided by the non-profit corporation operating the center. All of the CUNY centers receiving operating assistance in 1987-88 were operated by independent, non-profit corporations. LCER staff believes that, in fact, CUNY is paying for operating expenses whether it is paid to the college, the center or a non-profit corporation because the funds are needed to keep the center operating. CUNY feels that the Appropriation Act precludes them from using grant funds for operating assistance. Actually, the use of grant funds for the operation of centers is specifically allowed.

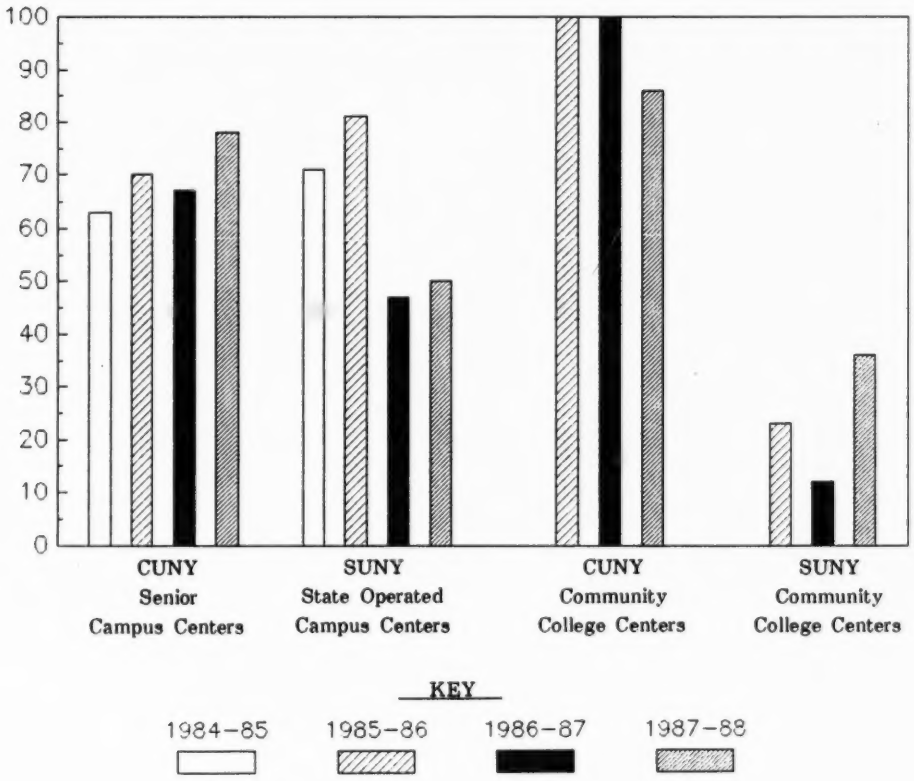
SUNY discourages the reliance of centers on grant funds to meet operating expenses and gives priority to request for non-operational items so that centers if they had to become self-sufficient in the future might be able to do so. In the 1988-89 Executive Budget, the request for the SUNY child care appropriations indicated that the use of grant funds would be for start-up and non-operating costs. This was not included in the budget request for CUNY. This new policy, will change the intent of the grant program which now allows grant funding of center operations, must be approved by the Legislature.

Plans for Self-Sufficiency

Prior to the removal of the self-sufficiency requirement, centers would have had to become self-sufficient after three years of grant funding. Centers were required to include, with their grant requests, plans for becoming self-sufficient. LCER staff reviewed all of these plans and found that centers listed raising parent fees, increasing fundraising and obtaining more funds from student activity fees or student associations as a means of becoming self-sustaining.

Chart 4

Trend in Percentage of Centers Receiving Grant Funds for Operating Expenses for Both CUNY and SUNY, 1984-85 to 1987-88



Source: *LCER staff from information supplied by CUNY and SUNY.*

Of the 14 centers visited by LCER staff, two centers indicated that they would have been self-sufficient within the required time period. Ten said that they would have had to raise parent fees and increase fundraising, one center that is operated by its college would receive a subsidy from the administration and the other said that they would reduce their program and decrease salaries. Some presented plans that appeared unrealistic such as one center which indicated that a 175 percent increase in parent (student) fees would be needed to become self-supporting. In addition, seven of the 14 centers said that they would need grant funds to continue operating their centers.

Requests were made that the self-sufficiency requirement be removed. CUNY wrote:

> With the demand for these services [child care] increasing and the availability of funding uncertain, the University faces a crisis in 1987-88. The discontinuation of State aid combined with the requirement that many centers

be self-sufficient could require that many programs be downsized and could mean the discontinuation of others....The impact on our students and their children will be devastating. The University has been providing some form of child care for the past 20 years, but it has only been during the past three years...of state funding... that the centers have been able to function as effective and efficient administrative units...Colleges had to resort, less often, to such unreliable forms of fundraising as bakesales and raffles. Increases in user and student activity fees were kept to a minimum lessening the burden on the population whom we seek to serve and who can least afford it.... It is the University's mandate to provide our students with those resources that enable them to obtain an education, and campus-based child care has become a primary resource.[1]

In 1987, the self-sufficiency requirement was removed:

...the Legislature has removed language from the Governor's recommendation which would require self-sufficiency after three years. It is the intent of the Legislature that the increase and removal of such language will enable the centers to provide more services for students, and receive continued state support for such centers.[2]

CUNY and SUNY were required by DOB guidelines to certify that their centers would have been self-sufficient without the grant funds. These audits were never completed. Even though the self-sufficiency requirement has been removed DOB has not changed the guidelines to reflect this.

Analyzing the trend evidenced in Chart 4, as more and more centers become reliant upon the grant funds to support their operating budgets fewer centers would probably be able to be self-supporting without the grants.

Grant Disbursement

Both CUNY and SUNY have unique processes for disbursing grants. CUNY provides the same amount to all of its centers and takes back funds not spent by mid-year. SUNY uses the grant proposals as the basis for providing awards, using the total amount of the funds available and the nature of the request as the basis for deciding on each center's award. Both universities have a lengthy process.

CUNY's Funding Process

Two budget analysts from CUNY's Budget and Finance Unit evaluate the proposals submitted by the senior and the community college campuses, decide on the amount of funding, and monitor the child care program. The analysts spend about 25 percent of their time on child care issues. In addition, a counsel is available to assist with legal questions.

CUNY does not have a formula for disbursing funds but equally divides the grant money among its centers. (Appendices B-1 and B-2 indicate each CUNY center and the amount and use of the funds received.)

After the Legislature has approved the budget in April, CUNY begins developing "call letters" that will be sent to all of the senior and community colleges notifying them

of the grant funds. The call letters which are sent out in July indicate how much is available to each center and requests details of what the grant funds will be used for, center enrollment, budget history and projections. (See Chart 5.)

The proposals are generally received in mid-September, reviewed and passed on to DOB for approval. Before DOB approval is obtained (and contrary to the guidelines), a certificate for the funds is drawn up by the Comptroller's office and the funds are allocated to the colleges and disbursed to the centers.

The centers must expend child care funds from a special account. This account is reviewed by CUNY budget staff to determine how the funds were used and reports are sent to the college identifying the center's spending and requesting updates.

If the grant funds are not expended by mid-year they are taken back and redistributed to other centers. Once a center has received additional funds a revised budget must be submitted indicating how the funds will be used. With the exception of the Graduate and Law Schools all centers have received additional funding.

Staff at two of the CUNY centers visited complained about the length of time it took for them to be told of the grants and of strained relationships with their college administrations. They indicated that they were not included, or included at the last moment, in drafting the grant proposals. One center's staff stressed the need for the colleges to make child care a priority and mentioned that if the college presidents did not apply for additional grant funds or release the grant, there is very little the center can do. CUNY officials believe that the relationships between the centers and their administrations are improving.

Monitoring. CUNY completes reviews of its centers periodically during the year. The budget analysts responsible for the allocation of the grant funds visit the centers and consult with the Child Care Council. Child care funds are kept in a separate account and CUNY tracks center expenses to ensure that funds have been spent. At one of the centers visited by LCER, center staff thought that a separate unit at CUNY should be established to work on child care issues exclusively. This unit would be responsible for public relations, monitoring of centers and providing technical and financial assistance on a full-time basis.

CUNY's Evaluation of its Child Care Program. Last year CUNY requested bids for an evaluation of its child care program, "In order to both assess the success of our child care program to date and maintain the level of accomplishment, the University seeks a formal evaluation of its child care program."[3] Recently a contract was signed with members of the National Coalition for Campus Child Care to undertake this study for $96,000. This amount was deducted from the 1987-88 child care appropriation. According to the bid proposal, this study, expected to be completed in 1988, will measure the:

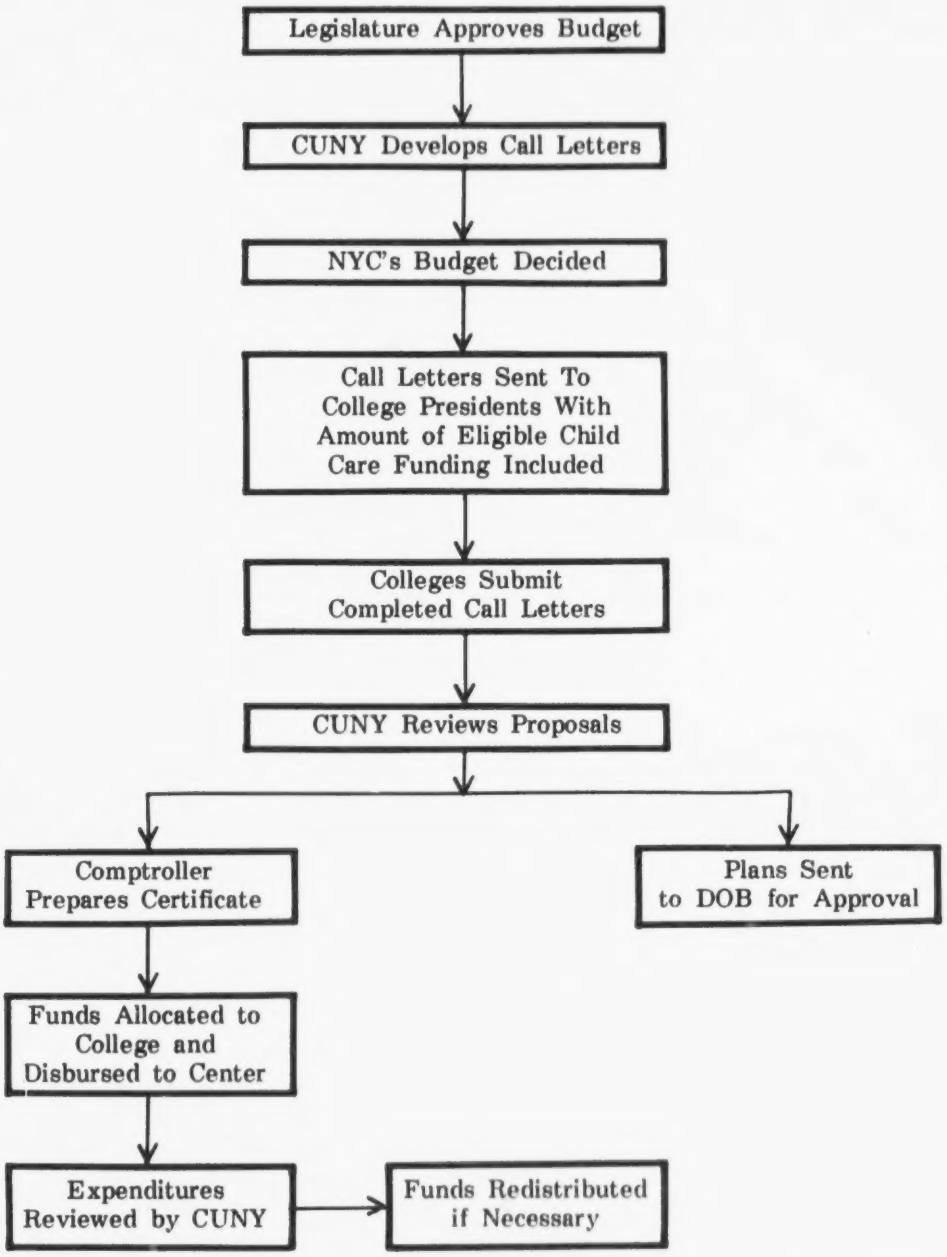
--Ability of CUNY's centers to meet students' child care needs, judge the quality of the programs and determine whether the centers meet State (NYC/DOH) and CUNY guidelines. To measure program quality the evaluators will use the accreditation guidelines of the National Association for the Education of Young Children.

--Extent to which centers are operating cost efficiently, if they have used the grant funds effectively and what the impact of the termination of State funds would be.

--Effectiveness of CUNY's administration of the program including the relationships between CUNY Central, the colleges and the Child Care Council.[4]

Chart 5

CUNY Grant Approval Process


Legislature Approves Budget
CUNY Develops Call Letters
NYC's Budget Decided
Call Letters Sent To College Presidents With Amount of Eligible Child Care Funding Included
Colleges Submit Completed Call Letters
CUNY Reviews Proposals
Comptroller Prepares Certificate
Plans Sent to DOB for Approval
Funds Allocated to College and Disbursed to Center
Expenditures Reviewed by CUNY
Funds Redistributed if Necessary

Source: *LCER staff.*

The result will be a published report with recommendations. CUNY has required that the report include, "a procedure for self-evaluation through which the university can examine its progress towards implementing said recommendations."[5]

SUNY's Funding Process

SUNY has two advisory committees which decide on a center's eligibility for grant funding, the amount of the grant and what the funds may be used for.

State Operated Campus Centers. The State Operated Child Care Advisory Committee consists of a representative of each of the health care, business and facilities departments at SUNY central, the Assistant Vice Chancellor for Student Affairs, the Director of the Community College Educational Services, SUNY's legislative liaison, a member of the Statewide Labor Management Child Care Advisory Committee (SLMCCAC), two child care experts selected from the community colleges and one or two interested State operated college students. None of the Committee members work full-time on child care.

Following approval of the child care appropriations by the Legislature in April, the colleges are notified of the grant funds and they submit, on behalf of the centers, proposals to the Committee for review. The proposals provide information about the hours the center operates, the staff, proposed and actual enrollment of children of students, staff, faculty and community, center policies and guidelines, the amount and reason for the grant request, proposed and actual revenues and expenditures and the center's means of meeting the 35 percent matching requirement. The Committee also requires a copy of each center's operating certificate, incorporation papers, permit or lease and sliding scale fee schedule. (See Chart 6.)

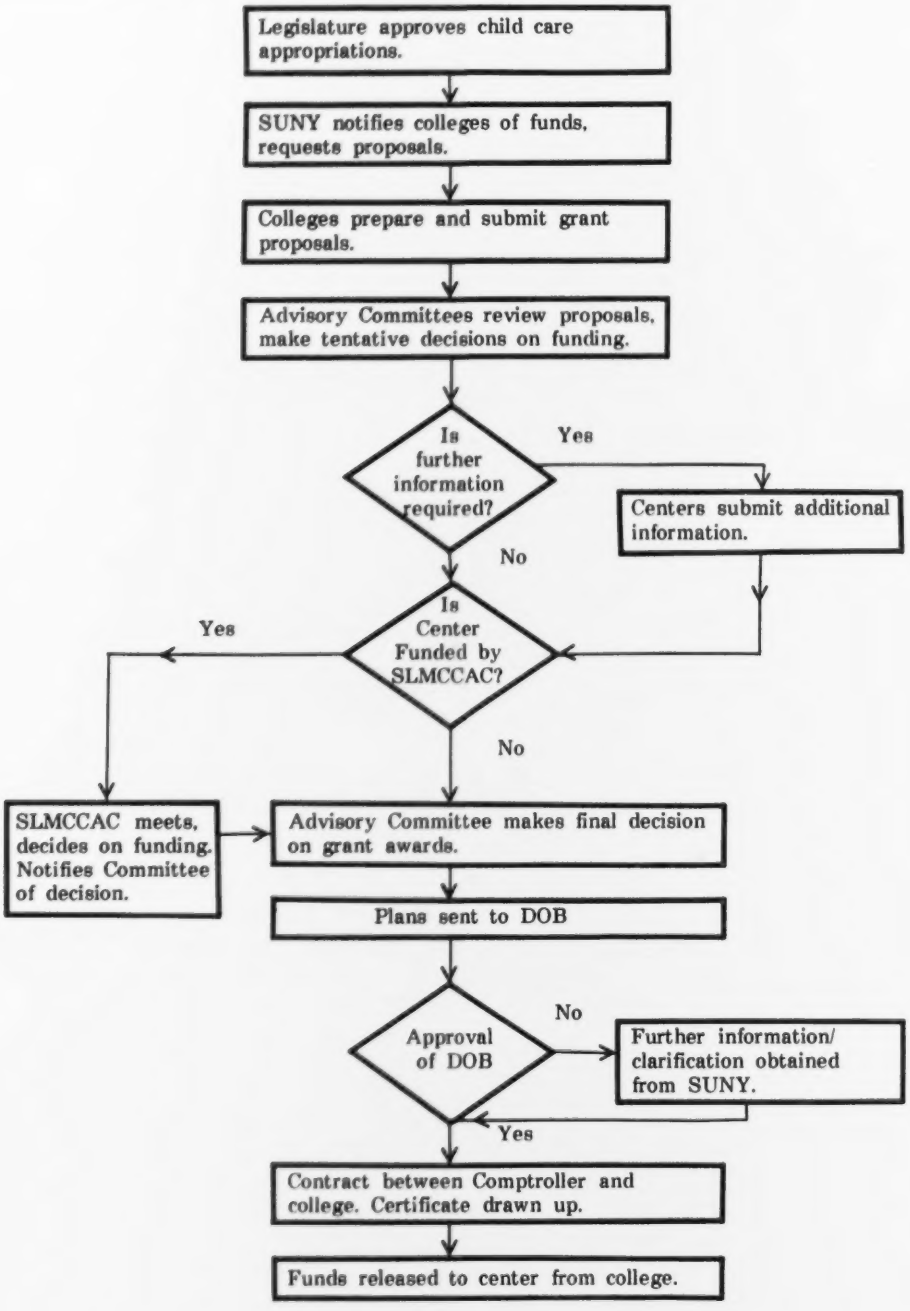
The proposals are due in June. The Committee meets annually in July to discuss the proposals that have been submitted and decide on funding. Each center is judged according to its request and the amount of funding available. There is no formula used, but the Committee has adopted an informal policy of not providing centers with grants for more than the difference between the cost per child and the amount that the center receives per child in student/parent fees multiplied by the number of student's children in the center. When reviewing the proposals the Committee does not use a checklist but instead relies on the varied interests and experiences of the members. Some have suggested that there should be a more formal and thorough review done by the Committee.

The grant requests are separated into operational and non-operational requests. Capital projects that require two or three years of funding are funded first, then projects to enhance the centers and/or satisfy DSS regulations next and then start-up of new centers. (See Appendix B-3 for the amount and use of the grant funds by year.) Also, in deciding the amount of grant funding, the Committee takes into account the type of project, the total amount of funds available and the funding provided by the Statewide Labor Management Child Care Advisory Committee (SLMCCAC).

Usually additional information is needed by the Committee from the centers and that information must be submitted by August. SLMCCAC meets in mid-September and decides on the amount of funding it will provide and a final decision is made on the amount of the grants for each center by the Committee. The plans are then submitted to DOB and upon approval, contracts are drawn up and the certificates are readied sometime in January. When the college and center are notified about their grant award they are also told what the funds may be used for. Funds are disbursed to the college and then provided via contracts to the centers.

Chart 6

SUNY Grant Approval Process


Legislature approves child care appropriations.
SUNY notifies colleges of funds, requests proposals.
Colleges prepare and submit grant proposals.
Advisory Committees review proposals, make tentative decisions on funding.
Is further information required?
Yes
Centers submit additional information.
No
Is Center Funded by SLMCCAC?
Yes
No
SLMCCAC meets, decides on funding. Notifies Committee of decision.
Advisory Committee makes final decision on grant awards.
Plans sent to DOB
Approval of DOB
No
Further information/ clarification obtained from SUNY.
Yes
Contract between Comptroller and college. Certificate drawn up.
Funds released to center from college.

Source: LCER staff.

LCER staff was informed at two of the four State operated campus centers visited that they were not being notified early enough that the proposals were due so that they could adequately prepare their requests. Staff at two centers expressed confusion over the guidelines and some of the information requested in the proposals and one center thought that the grant process took too long. In addition, staff at two centers suggested that there should be increased communication, guidance and oversight by SUNY in the operation of their programs and that SUNY should promote a sharing of ideas with other centers.

Community College Campus Centers. An advisory committee consisting of the Director of Community College Educational Services, the Assistant Vice Chancellor for Student Affairs, SUNY's legislative liaison, a representative of the business department, a child care expert from one of the State operated colleges and a community college student decide on grant awards.

The colleges, on behalf of the centers, submit proposals by mid-June requesting grant funds. The proposals include: the centers' enrollment by age and parentage, the projected operating budget with details of expenses and revenues, an explanation of the type of fees charged and how the 35 percent matching requirement will be met. Centers must send a copy of their current operating certificate and a letter from the college indicating the college's support of the center and space commitment. (See Chart 6.)

The Committee meets in July. A formula is not used to decide on the amount of the award, but no center will receive more than $75,000 a year. Requests are fulfilled based on the total amount of funds, and the centers' requests, which include:

--Obtaining compliance with DSS regulations;

--Starting up new centers at campuses without existing centers;

--Expanding existing centers;

--Improving existing sites through renovation;

--Purchasing necessary equipment; and

--Increasing inadequate staffing ratios.

DOB is notified in the beginning of August about the proposed awards (this is the May 15th report) and the colleges are notified of the amount they will receive, pending DOB approval. The college presidents must formally acknowledge the grant and submit a revised budget to SUNY. In September the grant award checks are sent out. (See Appendix B-4 for centers' grant awards and use of funds.)

Staff at two of the five community college campus centers visited by LCER staff mentioned that the grant process needed some improvements: more advance notification of when the proposals were due and more encouragement from SUNY to support child care. Staff at one center wanted to know what other centers were doing with their grant funds.

Monitoring. SUNY's advisory committees review the use of the grant funds when the proposals are submitted indicating the past year's expenditures. SUNY feels that it is the responsibility of the individual colleges to monitor their centers and that DSS inspects them for program quality. However, staff at four of the nine SUNY centers in LCER's sample indicated that SUNY should increase its monitoring of the child care centers.

One center suggested that there be a separate account that is used by centers so that grant expenditures could be accurately traced. There was concern raised that centers are not planning and instead use grant funds for items that they need at the present. Another center indicated that the grant proposals should be more specific, requesting detailed information in certain categories such as office expenses, nutritional and educational expenses, playground equipment, building renovations, repairs and insurance. Five of the SUNY centers indicated that they thought that the centers should be required to receive accreditation by the National Academy of Early Childhood Programs.

National Academy of Early Childhood Programs. The National Academy of Early Childhood Programs (NAECP) is a division of the National Association for the Education of Young Children and is made up of early childhood education professionals, child care facility administrators and parents who promote quality child care and educational programs in the United States.

Child care centers that serve more than ten children from infancy to age five, that have operated for at least one year and are licensed by the State may elect to join NAECP. NAECP has developed criteria for the operation of child care centers which cover interactions between staff and children, center curriculum, staff qualifications and development, physical environment and health and safety. If centers wish to be accredited by NAECP they must follow a process that includes self study, validation by an academy administrator, approval of academy commissioners and recertification every three years. Centers are charged an application and validation fee based on center enrollment ranging from $250 to $750. The accreditation process can take up to three years to complete. LCER staff was told that there are a few SUNY centers that are seeking accreditation and CUNY, in the evaluation of its program, is having all of its centers measured against the NAECP criteria.

Chapter Summary

- Centers receive funding from a number of different sources including the colleges, fundraising, USDA and parent fees. Personnel costs made up the largest percent of the sample centers' expenses.

- Grant funds may be used for establishment, operation, renovation and/or expansion of campus child care centers. So far, grants have been used mostly for purchasing equipment and supplies, renovating and operating centers.

- CUNY has two budget analysts, not a committee, that decides on funding for centers. Funds are distributed evenly between all centers but if a center has not used all of its grant by mid-year it is redistributed to needier centers.

- SUNY has two committees, one for its State operated campus centers and another for its community college centers. Decisions for funding are not based on a formula but on priorities such as complying with DSS regulations and starting up a new center.

- Neither CUNY or SUNY has completed the required financial audits of its centers. CUNY's budget analysts periodically visit centers and monitor the spending of the grant funds through a special account and have contracted with a consultant to review their program. SUNY believes that it is the responsibility of the individual campuses to review the programs and monitor centers. Centers indicated that they thought increased oversight was necessary.

FOOTNOTES

I Introduction

1. "Colleges Hard Pressed to Meet Demands for Child Care; Funds Called Inadequate," The Chronicle of Higher Education, September 25, 1985.
2. Laws of 1984, Chapter 50, p. 324 and Laws of 1984, Chapter 53, p. 127.
3. New York City Department of Health, Health Codes, Article 45.
4. One of the colleges selected in the sample was Rockland County Community College. There are two centers at this campus, the Suffern campus has a child care center that is separately incorporated from the college and there is a nursery school at the Haverstraw campus which is operated by the college. LCER staff did not include the Haverstraw campus in the audit findings and all references to SUNY community colleges only includes five colleges and uses information gathered from the Suffern campus child care center.

II Child Care for the Benefit of Students

1. Division of the Budget, "Requirements and Guidelines for Child Care Centers Located at Public Institutions of Higher Education," Budget Policy and Reporting Manual, (Part G-250 as revised, July 5, 1984), p. 1.
2. Memorandum from the Office of the Associate Provost for Academic Affairs, the Graduate School, City University of New York to the Acting Budget Director, Office of Budget and Finance, City University of New York, August 15, 1985.
3. York College, "City University of New York Plan for Child Care Services: York College, 1985-86," p. 1.
4. Letter from the Deputy Chief Budget Examiner, Division of the Budget, to the Acting Budget Director, City University of New York, September 23, 1984.

III Funding Guidelines

1. Laws of 1984, Chapter 50, p. 324; Laws of 1984, Chapter 53, p. 127; Laws of 1985, Chapter 50, p. 373; Laws of 1985, Chapter 53, pp. 16, 26, 145; Laws of 1986, Chapter 50, p.384; Laws of 1986, Chapter 53, pp. 21, 32, 159; Laws of 1987, Chapter 50, pp. 47, 422; Chapter 53, pp. 21, 177.
2. Division of the Budget, "Requirements and Guidelines for Child Care Centers Located at Public Institutions of Higher Education," Budget Policy and Reporting Manual, (Part G-250 as revised, July 5, 1984), p. 1.
3. Ibid., p.5.
4. Letter from Senior Budget Analyst, City University of New York to LCER staff, December 2, 1987, p. 4.
5. Letter from Assistant Vice Chancellor for Student Affairs, State University of New York to LCER staff, November 23, 1987, p.4.
6. Memorandum from Acting Deputy to the Chancellor for Community Colleges to the Acting Deputy to the Chancellor for Community Colleges, May 1, 1986, p. 2.

IV Financing Center Operations

1. The City University of New York, "The Chancellor's 1987/88 Budget Request," p.9.
2. New York State Legislature, Report of the Fiscal Committees on the Executive Budget: Fiscal Year April 1, 1987 to March 31, 1988, State of New York, pp. 28-29, 193-194.
3. City University of New York, "Request for Proposal," April 4, 1987, p. 5.
4. Ibid.
5. National Coalition for Campus Child Care, Inc., "Addendum to The Proposal to Evaluate The Child Care System Of The City University of New York," July 1, 1987.

APPENDIX A

SAMPLE DESIGN

Based on preliminary information submitted by CUNY and SUNY regarding center locations (whether they were CUNY or SUNY centers and whether they were located on community college, senior or State operated campuses) size and enrollment by children of students and non-students, LCER staff selected a representative sample of 14 centers to visit. The five CUNY centers included three senior college centers and two community college centers and the nine SUNY centers included four State operated campus centers and five community college centers.

	Population		Sample	
	Number	Percent	Number	Percent
CUNY Campus Child Care Centers				
Centers serving 50% or more students' children	14	100	5	100
Centers serving 50% or more non-students' children	0	0	0	0
	14	100	5	100
Centers that are at senior college campuses	8	57	3	60
Centers that are at community college campuses	6	43	2	40
	14	100	5	100
Centers that have fewer than 50 children enrolled	13	93	5	100
Centers that have more than 50 children enrolled	1	7	0	0
	14	100	5	100
SUNY Campus Child Care Centers				
Centers serving 50% or more students' children	23	66	6	67
Centers serving 50% or more non-students' children	12	34	3	33
	35	100	9	100
Centers that are at State operated college campuses	15	43	4	44
Centers that are at community college campuses	20	57	5	56
	35	100	9	100
Centers that have fewer than 50 children enrolled	14	40	4	44
Centers that have more than 50 children enrolled	21	60	5	56
	35	100	9	100

The sample selected were representative of the aforementioned strata.

CUNY Campus Child Care Centers Selected

Of the CUNY college campus centers, based on the above, LCER staff had to select five centers that were serving more than 50 percent students' children, five centers that had less than 50 children enrolled and of which three were located at the senior colleges and two at the community colleges. Based on the initial information provided to us about the CUNY centers, randomly the following were chosen:

Senior Colleges	Community Colleges
Hunter	Borough of Manhattan
John Jay	LaGuardia
Lehman	

SUNY Campus Child Care Centers Selected

Of the SUNY college campus centers, based on the above, LCER staff had to select nine centers. Six that were serving 50 percent or more children of students and three that were serving more than 50 percent non-students' children. Four of the centers had to have fewer than 50 children enrolled and five of the centers have to be more than 50 children enrolled. Also, four had to be at State operated campuses and two had to be on community college campuses.

State Operated Colleges	Community Colleges
Albany	Cayuga
Cobleskill	Corning
Farmingdale	Niagara
Oneonta	Rockland
	Sullivan

APPENDIX B

STATISTICAL TABLES

Appendix B-1

Summary of CUNY Senior College Grant Awards, and Use, 1984-85 through 1987-88

College	1984-85		1985-86		1986-87		1987-88	
	Amount	Use	Amount	Use	Amount	Use	Amount	Use
City College	$75,000	Equipment Operation Renovation	$100,750	Equipment Operation Renovation Supplies	$113,750	Equipment Operation Renovation Supplies	$100,000	Equipment Operation Renovation Supplies
Graduate School		N/A	15,000	Voucher	15,000	Voucher		
Hunter College	75,000	Equipment Supplies	87,750	Equipment Renovation Supplies	73,750	Equipment Renovation Supplies	75,000	Equipment Renovation Supplies
John Jay	75,000	Operation	81,750	Operation Renovation	78,750	Operation	75,000	Operation
Law School	N/A		50,000	Equipment Operation Renovation Supplies	50,000	Renovation	75,000	Equipment Operation Renovation Supplies
Lehman	90,000	Equipment Renovation	93,750	Equipment Operation Renovation Supplies	74,750	Equipment Operation Supplies	75,000	Operation
NYC Technical	75,000	Operation Renovation	88,750	Equipment Operation	83,750	Equipment Operation Supplies	100,000	Operation Renovation Supplies
Staten Island	75,000	Equipment Operation Renovation Supplies	81,750	Equipment Renovation Supplies	83,750	Operation Renovation	75,000	Operation
Queens College	75,000	Equipment Operation Renovation Supplies	68,750	Equipment Operation Supplies	68,750	Equipment Operation Supplies	75,000	Equipment Operation Supplies
York	75,000	Voucher	26,250	Voucher		N/A	245,000	Renovation
Total	$615,000		$694,500		$642,250		$895,000	

Source: LCER staff from CUNY data.

Appendix B-2

Summary of CUNY Community College Grant Awards and Use 1985-86 through 1987-88

College	1985-86 Amount	1985-86 Use	1986-87 Amount	1986-87 Use	1987-88 Amount	1987-88 Use
Borough of Manhattan	$82,833	Equipment Operation Renovation Supplies	$82,800	Equipment Operation Renovation Supplies	$120,000	Equipment Operation Supplies
Bronx	71,000	Equipment Operation Renovation Supplies	86,000	Equipment Operation Renovation Supplies	120,000	Equipment Operation
HOSTOS	82,800	Equipment Operation Renovation	81,000	Equipment Operation	120,000	Operation
Kingsborough	$82,833	Operation	71,000	Equipment Operation Supplies	120,000	Equipment Operation Renovation Supplies
LaGuardia	82,000	Equipment Operation Renovation Supplies	79,000	Operation Renovation	120,000	Operation Renovation
Medgar Evers	82,833	Operation	76,000	Operation	120,000	Operation
Queensborough	N/A		N/A		120,000	Equipment Renovation Start-up
Total	$484,299		$475,800		$840,000	

Source: LCER staff from CUNY data.

Appendix B-3

Summary of SUNY State Operated College Grant Awards and Use

College	1984-85 Amount	1984-85 Use	1985-86 Amount	1985-86 Use	1986-87 Amount	1986-87 Use	1987-88 Amount	1987-88 Use
Albany	$33,700	Equipment Renovation	$68,800	Equipment Operation Renovation	$17,460	Equipment	$43,000	Equipment Expansion Renovation
Binghamton	17,400	Equipment Operation Renovation	28,000	Equipment Expansion Renovation	24,400	Equipment Renovation	110,650	New-Site Development
Brockport	26,700	Equipment Expansion Operation	35,000	Expansion Operation	19,650	Equipment Renovation	15,000	Renovation
Buffalo Center	68,500	Equipment Renovation Operation	36,000	Equipment Operation Renovation	37,050	Equipment Operation Renovation	22,600	Equipment Operation Renovation
Buffalo College	52,300	Equipment Renovation	15,000	Equipment Renovation	33,000	Equipment Renovation	4,450	Equipment Renovation
Cobleskill		Not Open	92,488	Equipment Operation Renovation	89,090	Operation Renovation	70,000	Equipment Operation Renovation
Cortland		Not Open		Not Open	100,000	Construction Renovation	130,200	Renovation
Delhi	27,300	Equipment Operation Renovation	34,000	Equipment Operation Renovation	60,150	Operation	41,983	Equipment Operation Renovation
Farmingdale	70,200	Modular Purchase Salaries	55,000	Equipment Operation	31,000	Renovation	49,904	Equipment Renovation
Fredonia	10,000	Equipment Operation Renovation	18,000	Equipment Operation Renovation	40,000	Equipment Operation Renovation	18,000	Operation Renovation
Health Science Center-Brooklyn		Not Open		Not Open		Not Open	209,550	Renovation
Health Science Center-Syracuse		Not Open		Not Open		Not Open	92,600	New-Site Development
New Paltz	6,500	Equipment	11,000	Staff Person	15,700	Equipment	48,100	Equipment Renovation
Old Westbury	37,300	Equipment Renovation Operation	20,000	Construction Equipment Operation		No Grant	50,000	Equipment Salaries
Oneonta	112,000	Equipment Operation Renovation	64,100	Operation Supplies	89,700	Operation Renovation	39,268	Equipment Operation Renovation
Oswego		Not Open	89,100	Equipment Operation Renovation	24,100	Equipment Operation Renovation	30,000	Equipment Operation Renovation
Plattsburgh	32,200	Equipment Operation Renovation	15,000	Operation Renovation	17,300	Equipment Operation	52,600	Equipment Operation Renovation
Potsdam		Not Open		Not Open	81,000	Renovation	48,695	Equipment Operation Renovation
Purchase	128,300	Equipment Renovation	60,000	Renovation	10,000	Renovation	3,350	Equipment Renovation
StonyBrook	128,300	Equipment Operation Renovation	98,512	Equipment Operation Renovation	135,400	Equipment Operation Renovation	170,050	Equipment Operation Renovation
Total	$750,700		$740,000		$825,000		$1,260,000	

Source: LCER staff from SUNY data.

Appendix B-4

Summary of SUNY Community College Grant Awards and Use, 1985-86 through 1987-88

College	1985-86 Amount	1985-86 Use	1986-87 Amount	1986-87 Use	1987-88 Amount	1987-88 Use
Adirondack		Not Open	$38,000	Construction of Modular Unit	$40,000	Construction Supplies
Broome	$9,847	Equipment	20,720	Renovation	51,000	Renovation
Cayuga	9,265	Equipment Renovation	6,970	Equipment Expansion	8,000	Equipment Operation
Clinton		Not Open		Not Open	34,000	Operation Start-up
Columbia-Greene	5,472	Equipment Salaries	36,500	Construction	55,000	Construction of New Center
Corning	15,000	Equipment	27,000	Renovation	50,000	Construction Renovation Expansion
Dutchess	22,000	Equipment	29,000	Equipment Start-up	36,000	Equipment Modular Site Development
Erie	10,000	Equipment	10,000	Equipment Staff Development	15,000	Equipment Staff Development
Finger Lakes		Not Open		Not Open	60,000	Equipment Start-up Operation
Fulton-Montgomery	24,000	Equipment Renovation		No Grant	10,000	Equipment Operation
Genesee	20,000	Equipment Operation Renovation	20,000	Equipment Renovation	20,000	Equipment Operation Training
Herkimer	23,866	Equipment Renovation Expansion	20,000	Construction	40,000	Construction
Hudson Valley	30,000	Equipment Renovation	36,000	Equipment Renovation	48,000	Equipment Renovation
Jamestown	31,000	Equipment Salaries Renovation	29,000	Equipment Renovation	42,000	Renovation

Appendix B-4 Cont.

College	1985-86 Amount	1985-86 Use	1986-87 Amount	1986-87 Use	1987-88 Amount	1987-88 Use
Jefferson		Not Open	2,000	Needs Survey		Not Open
Mohawk Valley		Not Open	12,000	Equipment Renovation	27,000	Equipment
Monroe	30,000	Consultant	29,000	Construction Equipment	45,000	Renovation Start-up
Nassau	40,000	Expansion Renovation	29,000	Equipment	45,000	Equipment Renovation
Niagara	24,000	Equipment Renovation	18,000	Equipment Renovation	35,000	Equipment Operation Renovation
North Country	29,000	Expansion Start-up		No Grant	60,000	Operation Student Subsidies
Onondaga	30,147	Expansion Renovation	38,000	Expansion Renovation	63,000	Modular Center Development
Orange	8,500	Equipment Operation Renovation	14,000	Equipment Operation Renovation	14,000	Equipment Operation
Rockland	22,000	Renovation	15,500	Equipment Operation	22,000	Operation Renovation
Schenectady		Not Open	10,000	Supplies	10,000	Voucher System
Suffolk	37,750	Equipment Operation	37,700	Construction Operation Supplies	34,000	Construction Operation
Sullivan		Not Open	3,610	Equipment Renovation	55,000	Equipment Expansion
Tompkins-Cortland	16,300	Equipment Renovation	29,000	Equipment Renovation	48,000	Equipment Renovation
Ulster	32,000	Equipment New Building	36,000	Construction of Modular Building Equipment	58,000	Equipment New Building
Westchester	30,000	Equipment Renovation	28,000	Equipment Renovation	40,000	Equipment Renovation
Total	$500,147		$575,000		$1,065,000	

Source: LCER staff from SUNY data.

APPENDIX C

Agency Responses

The City University of New York

State University of New York

The City University of New York
535 East Eighteenth Street
New York, New York 10021

The Chancellor

April 26, 1988

Mr. James J. Haag
Acting Director
State of New York
Legislative Commission on
Expenditure Review
111 Washington Avenue
Albany, New York 12210-2277

Dear Mr. Haag:

Although the critical need nationwide for safe and reliable child care has most recently been at the center of the media eye, the need for this service on the campuses of The City University of New York has existed for more than 20 years as have the attempts by many of the colleges to provide services limited only by lack of funds. For many students with no alternatives, the provision of this service has represented the difference between staying in school and dropping out, between self support and public assistance.

In 1984-85, the Governor and State Legislature appropriated tax levy dollars specifically for the maintenance and establishment of campus-based child care centers at senior colleges. State funding for community colleges was added one year later. The impact of this landmark legislation was threefold, as it:

1. Legitimized child care as a vitally important on-campus service, critical to students in its role of caregiver and perhaps more critical to our students' children in its role as early childhood educator;

2. Provided stable and reliable funds enabling many campuses to open or reopen centers and allowing existing centers to modestly expand, renovate plant and purchase equipment; and

3. Permitted the development and implementation of a standard, high-quality, innovative program of child care.

With State funds, thus far, 10 senior colleges have been able to establish and renovate centers. State funding has enabled seven community colleges to do similarly. Within the next two years, we hope that all senior and community colleges will have active, on-campus child care. And, in an effort to ensure that the services provided by the University are of the highest quality and are the most cost effective, we have hired external consultants, a team of the foremost child care/early childhood education specialists in the country, to evaluate our processes and their results to date.

Because the issue of child care is of longstanding importance to the University and because, as noted above, we are in the middle of a program evaluation, we have been anticipating the results of LCER's audit. We found these results to be fair and objective. In an effort to respond as completely as possible to the concerns cited in the report, I have addressed each item in the accompanying attachment.

If you have additional concerns, please contact me.

Cordially,

Joseph S. Murphy

ATT.

I. ENROLLMENT AND TARGET POPULATION

At City University, the need of students for high quality, reliable and safe on-campus child care has existed for over 20 years as has some small form of service provision by individual colleges. When State funding became available in 1984-85, DOB interpreted the appropriation as "primarily for the use and benefit of students on campus." However, since 1984, the University has attempted to serve as close as possible to 100 percent student need, not just to meet legislative intent, but because it is precisely our students who are in need. In fact, as noted in the audit, even with State funds, only about 3 percent of need is met with resultant long waiting lists for child care slots.

The University continues to strive towards 100 percent student usage. As noted in the audit, senior colleges presently serve 100 percent students as do all but one community college. It is expected that by 1988-89, all community colleges will serve 100 per cent students as well.

A. Voucher Systems:

As noted above, several campuses had child care centers that preceded State legislation in 1984-85. These centers were able to avail themselves of these funds sooner and with less difficulty than those colleges that had not been able to support centers and had to start from scratch.

For colleges attempting the difficult and often lengthy task of finding and renovating space, recruiting and hiring staff and processing various contracts, the voucher system was an excellent, temporary solution to the problem of providing some form of a badly-needed service as quickly as possible.

In addition to the need to utilize funds that would be provided for three years only, other reasons to experiment with voucher systems included the fact that some colleges noted their locations to have a deterrent effect on student/parents transporting small children and others noted that some centers did not remain open late enough in the day as required by some students (e.g. evening classes). Although the University approved of only two voucher systems, we believe strongly that the use of vouchers provided a temporary way to make funds available to students who did not have any alternatives, until more efficient ways to serve their need were developed.

B. York/Agency For Child Development (ACD):

Up until 1987-88, State child care funds for senior and community colleges were temporary. The legislation included a provision that called for self-sufficiency of State funds after the third funded year. As noted in the audit, many campus centers would have been forced to close if their primary source of reliable funding was withdrawn.

For this reason, several colleges began to investigate alternative methods of providing child care. York's response to this need was a merger with a local ACD/Headstart child care center that would serve equal numbers of both agencies' clients. In return for operating expenses, York agreed to provide renovated space, heat, hot water, security and janitorial services.

The bottom line was that without this agreement, operating under a self-sufficiency requirement, York would have been unable to provide any child care services to its students. As noted in the audit, if funds were discontinued, many centers would simply close. It was not a matter of 55 versus 110 children, but 55 children or none.

Although the self-sufficiency requirement was eliminated in 1987-88, problems with funding continue to exist. For a college, opening a child care center is only the first hurdle; afterward comes providing the appropriate numbers and types of services to as many of those in need as possible. And although child care services have been found to be strong retention tools, overall funding is still limited and many centers are able to serve only a small percentage of need. In an effort to do more for more students, to offer a variety of different services (such as infant/toddler care) during expanded time periods (evening, weekends), the centers look for additional funding.

York, Queensborough and LaGuardia are examples of colleges attempting to grow in these ways and the University views each one of these projects individually, as experiments. Each contract contains a "back-out" clause enabling either agency to withdraw if it is not satisfied.

In addition, although the University maintains a unified program of child care, it is unclear as to whether DOB guidelines apply to community colleges. Also, it would not be impossible for the community colleges to utilize city funds for programs that might not be permitted under State regulations.

The University intends to monitor each program vigorously, through its newly-formed Advisory Group, to ensure that quality and service to students are not compromised. We would also

like to emphasize that York and ACD will co-manage the merged center and if the experiment does not work, York will maintain its own child care center in its renovated location, independently of ACD.

II. GUIDELINES

Three primary conflicts are described under the Audit's Guidelines section.

1A. Submission of Child Care Plans:

As noted in the audit, City University must submit child care plans for all senior and community colleges, which reflect operating budget, revenue and enrollment data, no later than May 15th. While the University has attempted to comply, this has not been possible.

Unfortunately, the May 15th date was unrealistic because New York City's budget is not adopted until late June. This timing situation made it impossible to provide complete information to DOB by May 15th.

This problem was resolved in the 1988-89 State adopted budget which contained language requiring child care plans to be submitted by August 15th rather than May 15th.

1B. DOB Approval:

In relation to the Audit concern that the University does not wait until DOB approves the child care plans before it distributes funding, we believe we have a solution. Our primary reason for early distribution is to ensure that programs have sufficient time to encumber and expend their funds. Often, state and city contracts and other time-consuming processes must be implemented, which can take months.

In order to alleviate this concern, the University suggests the distribution of a very small percentage of funding in order to assure program viability and fiscal continuity. Child care plans will be submitted to DOB by August 15th along with proposed allocations, based on the determinations of our newly-created Advisory Committee. In this way, the integrity of our programs will not be threatened and the intent of the legislation will be met.

2. Hold Harmless:

A major concern of the audit involves the State being held harmless and named as an also-insured. If this is mandated by the legislation, the University will comply as quickly as possible. However, from the audit, it appears as though some external direction might be forthcoming.

In anticipation of further direction, the University's attorneys are reviewing the legislation and the child care contracts at this time.

III. GRANT FUNDS - FINANCING CENTER OPERATIONS

As noted in the last section, a major concern of the audit relates to the fact that the City University does not have a formal system for distributing funds or monitoring centers for efficient and effective fiscal operations. We have resolved this concern as follows:

The University is in the process of forming a child care advisory group, on which will sit representatives of the departments of budget, student services (including one or more students) and campus early childhood education staff.

This group will supervise review of plans, distribution of funds, and monitoring of programs' processes and progress. As noted above, this group will await DOB's approval of plans before funds are distributed to senior and community colleges.

We feel that the existence of this group, in conjunction with the results of our evaluation project, should not only comply with the intent of the enacting legislation, but will result in the highest quality child care that the University can provide.

State University of New York
State University Plaza
Albany, New York 12246
Office of the Senior Vice Chancellor
Division of Administrative Affairs

April 29, 1988

Mr. James J. Haag
Acting Director
State of New York
Legislative Commission on Expenditure Review
111 Washington Avenue
Albany, New York 12210

Dear Mr. Haag:

In accordance with your letter of March 21, 1988, we are enclosing our comments regarding your preliminary program audit entitled "CUNY/SUNY Campus Child Care".

We appreciate the courteous and constructive manner in which this review has been conducted and having the opportunity to respond to the preliminary report.

Sincerely,

Harry K. Spindler
Senior Vice Chancellor
Office of Administrative Affairs

Enc.

cc: Acting Chancellor Komisar
Mr. Rollo

Staff Findings and Recommendations
Summary and Conclusions (S-5 through S-6)

(LCER) 1. Twelve of 16 SUNY State operated campus centers had waiting lists of students' children. Eight could have met the needs of all students' children if college faculty, staff and community children were not enrolled. The Appropriation Act stated the campus child care centers were for the benefit of students' children. DOB's guidelines interpreted the act to allow centers to operate "primarily" for students' children. CUNY defined "primary" as at least 98 percent students' children. SUNY allowed its centers to serve both students' and employees' children.

2. For the last four years, the enrollment of students' children at the SUNY State operated campus centers has been around 40 percent. LCER staff found centers that did not admit children of students first and others that planned to open with more students' than non-students' children enrolled. The low percentages partially may be attributed to SUNY's, (1) inadequate monitoring of the centers, (2) funding of existing centers that had non-students' children already enrolled, (3) approving the creation of centers at colleges that can not operate with only students' children enrolled, and (4) allowing centers to serve both students' and college employees' children.

3. Both CUNY and SUNY have made commitments and entered into financial arrangements which result in reduction of service to students' children. SUNY State-operated campus centers are eligible for funding that places priority on serving children of State employees. One CUNY center has entered into an agreement to have a campus center developed and operated by a New York City agency that will serve half students' children eligible for headstart and the other half non-students' children eligible for headstart. Both CUNY and SUNY have approved use of voucher systems, which conflict with the Legislature's intent of having on-campus child care for students.

These factors illustrate that CUNY/SUNY child care centers deliver diverse and inequitable services to students' children. It is recommended that:

-- In reviewing the Appropriation Act, the Legislature may wish to reconsider if the care of non-students is appropriate under the scope of the Act.

-- DOB revise its guidelines and define "primarily."

-- Grant funds be linked to student benefits.

-- CUNY and SUNY assure the targeted population is cared for before grants are disbursed.

(SUNY) 1,2,3. The development of child care centers in SUNY evolved from a number of separate initiatives: demonstration laboratories/schools to support Early Childhood Education programs; centers responding to the Executive Order to provide child care services to state employees; student organized "drop-in" centers; centers developed in response to the state grant to support child care for children of students.

SUNY campuses utilized the funding available through the NYS Child Care Joint Labor Management committee for the support of child care for employees in concert with the state grant for student child care to develop centers to address the needs of both students and employees. This strategy maximized the impact of both grants through economies of scale and provided for the best use of state subsidized facilities.

The SUNY child care plan approved by DOB, requires the centers to give first priority to students and state employees. The Plan utilized the State grant for the non-operational needs of the centers and received primary operational funds from revenues received through the application of sliding fee schedules and the Joint Labor Management Grant. Student families are normally at the base of the schedule while faculty/staff are distributed throughout but skewed toward the upper end. The SUNY centers could not operate on the revenue generated only from students because the actual per child cost (ranging from $72.50 to $110) far exceeded the level that students could afford to pay. For example, a graduate student receiving a $6,000 stipend could hardly afford $80 per week child care costs. As reported in the Audit, the student parent typically pays between $35 and $65 a week for child care. Even this amount, which is subsidized through the sliding fee schedule, is too great to ensure access for all student parents in need of child care.

SUNY has used the grant to address non-operational needs of the centers and has encouraged the subsidization of the cost of student child care by non-student groups. For example, for 1987-88 approximately $150,000 was used for operational costs while the remaining $1.1 million was used on non-operational items. Many centers reported that without additional grant operational subsidies, the centers would not be able to operate without serving faculty/staff and the community.

A recent canvassing of the centers found that centers have increased the number of student children served and reduced the number of community children served. We continue to be concerned that we are serving the community while our students and faculty/staff remain on waiting lists but a closer look at the data reported on page 11 of the report may help explain part of the problem. The 503 community children served at the State-operated campuses as reported on Table 3 should be reduced by 87 because of an incorrect number reported by Delhi.* Of the remaining 416 community children, 104 were enrolled at centers with no student children on waiting lists, thereby leaving a total of 312 community children being served at campuses with students' children on waiting lists. Over 50% of this remaining figure was attributed to the enrollments at Binghamton and Brockport; in the case of Binghamton, significant progress has been made with a drop from 75 to 24 community children served; Brockport continues to enroll a

*Change has been incorporated in the text.

large number of community children because the center, which opened prior to the development of the grant, was developed to address the child care needs of the campus and community.

SUNY will continue to expect the centers to serve children of students and faculty/staff as a first priority. Campuses have reported positive changes and we will need to explore alternative funding to ensure that the operational costs of the centers are met. This topic will be highlighted at the SUNY Child Care Conference which will focus on child care issues, training, and the development of an action plan to deal with problems.

With respect to the observation regarding Schenectady County Community College's utilization of a vouchering system, there are a number of licensed day care programs in the vicinity of the college, and thus, little demand by students for services. The College proposed the development of a center this past year but the number of children to be served was very small when compared with the cost of the center. Accordingly, the SUNY Community College Child Care Committee rejected the grant and proposed, instead, some financial assistance for disadvantaged students in need of child care. The University believes the Legislative intent is addressed by this cost-effective decision.

(LCER) 4. The Division of the Budget's guidelines were drafted before community colleges received grant funds and do not expressly include community colleges. CUNY requires all of its centers to follow the guidelines while SUNY has exempted its community colleges. The guidelines were meant to protect the State from liability and require, among other things, that the centers have liability insurance and have a lease or permit holding the State harmless. Yet, LCER staff found that eight of the 14 centers visited did not have permits holding the State harmless and centers' staff were confused as to whether the State should be named as an "also insured" on the center's insurance policies to limit the State's liability. It is recommended that:

-- SUNY require its community colleges to comply with the DOB guidelines.

-- CUNY and SUNY ensure that centers have permits for the space that hold the State harmless.

-- CUNY and SUNY ensure that all of the DOB guidelines are met before grants are approved.

-- DOB revise its guidelines to include the community colleges and decide whether the State needs to be named as an "also insured" as a means of protecting it from liability.

(SUNY) 4. The SUNY Community College Child Care Plan was modeled after the SUNY State-operated Campuses' Child Care Plan. The SUNY Community College Child Care Plan, which was approved by DOB, mandates compliance with all DOB requirements except for the guidelines regarding separate and distinct incorporation. This

element was introduced into the plan to respond to the community college method of providing services. Most community colleges view child care as an auxiliary service and contract with their Faculty-Student Association to operate (fiscally administer) the service, as called for in Section 602.1(f) of the Code of Standards and Procedures for the Administration and Operation of Community Colleges under the Program of the State University of New York. At least two community colleges view child care as an integral student service and administer the program directly.

We believe that this aspect of the child care plan has served the community colleges well and should be allowed to continue. Additionally, the State-operated campus plan requires that the centers have permits for the use of space that hold the State harmless. We will review our system to monitor this requirement.

SUNY Legal Counsel will examine the LCER recommendation that the State needs to be named as an "also insured" as a measure of protecting it from liability.

(LCER) 5. Five of the centers visited said that more monitoring was needed. The problems with the high enrollment of non-students' children and the approval of grants when the guidelines have not been met, along with the center's recommendations, indicate the need for increased oversight by both CUNY and SUNY. CUNY monitors its centers periodically and has contracted with a consultant to review its child care program. SUNY relies on the annual grant proposal as a review of centers and believes that monitoring is the responsibility of the individual colleges. It is recommended that:

-- CUNY and SUNY establish a formal system for monitoring centers, to ensure that DOB guidelines are met, that centers are caring for the targeted population and that grant funds are used efficiently and as intended.

(SUNY) 5. Currently, SUNY requires that campuses ensure that the agreements between the child care centers and the campuses are executed fully. We have limited central program support in the area of child care but periodic visits are made to selected centers. Most of the SUNY State-operated campus centers are incorporated under the Empire State Day Care Services, Inc. and receive periodic visits from their staff.

We agree with the comment that SUNY establish a formal system for monitoring centers to ensure that DOB guidelines are met, that centers are caring for the largest populations and that grant funds are used efficiently and as intended. The SUNY Advisory Committees will review this issue and incorporate such a system into the 1988-89 Child Care Plans.

(LCER) 6. CUNY/SUNY child care grant review can take up to eight months to complete. CUNY and SUNY have missed the May 15th deadline for submitting their plans to DOB. CUNY centers received grants before DOB approval and CUNY does not have the required

advisory committee responsible for reviewing grant proposals and awarding grants. SUNY has two advisory committees, one for its community colleges and the other for State operated campus centers made up of members of SUNY central, child care experts and students. It is recommended that:

-- CUNY and SUNY make every effort to shorten the review process. The use of a formula based grant may be a means of decreasing the time spent preparing and reviewing grant proposals.

-- The Legislature may wish to consider approving the proposed change in the May 15th deadline to August 15th for both CUNY and SUNY.

-- CUNY should form an advisory committee and not continue the grant process until DOB approval has been received.

(SUNY) 6. We agree with the finding of the LCER Audit and recommend that the deadline date be changed from May 15 to August 15. SUNY will make every effort to shorten the review process to ensure that funds are made available as early as possible to the Child Care Centers.

Other Matters - Audits of Self-Sufficiency

-51-

(LCER) (p. 29) CUNY and SUNY were required by DOB guidelines to certify that their centers would have been self-sufficient without the grant funds. These audits were never completed. Even though the self-sufficiency requirement has been removed DOB has not changed the guidelines to reflect this.

(p. 35) Neither CUNY or SUNY has completed the required financial audits of its centers.

(SUNY) The revised Requirements and Guidelines for Child Care Centers (July 5, 1984) stated that the internal audit staff of the university must formally review and certify that the center's plan for self-sufficiency within three years is achievable and upon the Chancellor's approval, the certified plan shall be submitted to the Budget Division for review and approval.

SUNY notified the Division of Budget in November, 1985 that certification by the audit staff of future performance was inconsistent with the role of that office. The audit staff deals with evaluation of past practices, but not the future ability of a program to be self-sufficient. Therefore, such audits were not performed. As the self-sufficiency requirement has been removed by the Legislature, we are of the opinion that the issue is no longer applicable.

Conclusion

(SUNY) SUNY has made significant progress in serving the child care needs of its campuses. The SUNY grant has served the campuses well as a basis to establish, enhance and improve child care services.

PROGRAM AUDITS* OF THE LEGISLATIVE COMMISSION ON EXPENDITURE REVIEW

Pupils With Special Educational Needs, April 30, 1982.*

State Division of Probation Programs, June 10, 1982.

State Physician Shortage-Maldistribution Programs, July 16, 1982.*

Commission on Cable Television, September 15, 1982.

Management of Youth Rehabilitation Programs, October 29, 1982.

Impact of Youth Rehabilitation Programs *(Research Report)*, October 29, 1982.

Council on the Arts Application Review and Funding, November 29, 1982.

The Weatherization Assistance Program, December 6, 1982.

SUNY Hospitals, February 28, 1983.

Dormitory Vandalism on SUNY Campuses, March 24, 1983.

Procurement of Consulting Services, March 31, 1983.*

Processing of Human Rights Cases, April 25, 1983.

Contractual Social Services Training Programs, June 3, 1983.

Comparative Resident and Non-Resident Tuitions, Enrollments and Policies in the Fifty States, June 7, 1983.

State Operated Ski Centers, September 30, 1983.

Mental Health Community Support System, October 28, 1983.

Education of Children Under State Care or Custody, November 30, 1983.

State Insurance Fund, December 9, 1983.

State Alcoholism Treatment Centers, December 14, 1983.

Correctional Officer Training Program, February 15, 1984.

Neighborhood Preservation Program, March 1, 1984.

Unemployment Insurance Benefit Payment Control, March 9, 1984.*

Family Court Orders for Handicapped Children, March 9, 1984.*

Bridge Rehabilitation and Replacement, April 9, 1984.

Weatherization Assistance Program Follow-Up, April 20, 1984.

The Mental Health Information Services, May 21, 1984.

Disaster Preparedness Programs, June 15, 1984.

State Prison Release Programs, June 30, 1984.

Home Insulation and Energy Conservation Program, September 21, 1984.

Power Authority of the State of New York, November 30, 1984.

State Equine Drug Testing and Research, December 31, 1984.

Local Social Services Administrative Costs, January 31, 1985.

OMRDD Information System Needs, March 15, 1985.

Screening of Public School Children, April 12, 1985.

State Milk Dealer Licensure and Regulation, April 19, 1985.

Control of State Employee Health Insurance Costs, April 30, 1985.

Preservation of Historic Resources, May 17, 1985.

West Valley Nuclear Waste Management Demonstration Project, May 24, 1985.

Surplus Real Property Programs, June 7, 1985.

Leasing Of State Agency Space, June 13, 1985.

CUNY/SUNY Building Repair and Equipment Replacement, June 25, 1985.

Mitchell-Lama Housing Mortgage Delinquencies, August 15, 1985.

Environmental Quality Bond Act of 1972 Solid Waste Management Programs, December 16, 1985.

OMRDD Monitoring of Day Treatment Programs, December 24, 1985.

SUNY CUNY Energy Management Programs, January 31, 1986.

State Commission of Correction Programs, February 28, 1986.

Federal Rural Transportation Assistance, March 7, 1986.

SUNY Educational Opportunity Program, April 25, 1986.

State Day Care Centers, April 25, 1986.

Capital Funds for Developmental and Psychiatric Centers, April 30, 1986.

Crime Victims Board Programs, May 18, 1986.

Environmental Quality Bond Act of 1972 Land Acquisitions, June 6, 1986.

Environmental Quality Bond Act of 1972 Water Quality Improvement Projects, June 12, 1986.

Environmental Quality Bond Act of 1972 Air Quality Improvement Projects, June 20, 1986.

Local Police Training, August 15, 1986.

Alcohol and Substance Abuse Prevention Programs, September 15, 1986.

State Administration of New York City Rent Regulation, December 12, 1986.

Employee Ownership Assistance Act, December 16, 1986.

Mapping of State Freshwater Wetlands, December 19, 1986.

State Social Services Department Income Maintenance Forecasting, February 23, 1987.

Higher Education Opportunity Program, February 18, 1987.

State Telecommunications, March 23, 1987.

State Child Abuse & Maltreatment Register, Child Abuse Hotline, March 23, 1987.

A Comparison of State Government Initiatives for Scientific Research and Advanced Technology in New York and Pennsylvania *(Research Report)*, March 30, 1987.

Community College Business and Technical Aid, April 30, 1987.

Status Report On OMRDD Information System Development, May 8, 1987.

Urban Development Corporation High Risk Targeted Investment Program, May 9, 1987.

Tax Stabilization Reserve Fund *(Research Report)*, May 20, 1987.

Relocation Of State Offices From the World Trade Center, May 2, 1987.

Human Rights Caseload, June 1, 1987.

Displaced Homemakers Program, August 3, 1987.

State School Aid Formula Data Quality, August 31, 1987.

Funding Projections For The Rural Rental Assistance Program *(Research Report)*, November 27, 1987.

Leasing and Maintenance of OMH Community Residences, December 31, 1987.

Public Service Commission Utility Management Audit Program, February 19, 1988.

City University of New York's SEEK Program, February 26, 1988.

State School Computer Aid Program, March 25, 1988.

Leasing and Maintenance of OMRDD Community Facilities, April 20, 1988.

Council on the Arts Decentralization Program, April 27, 1988.

Special Delinquency Prevention Program, May 20, 1988.

CUNY/SUNY Campus Child Care , June 24, 1988.

Note: Excludes 95 reports printed 1971 through 1981. A list of these publications may be obtained by request of the Commission.

*Out of print; loan copies available upon request.

LEGISLATIVE COMMISSION ON EXPENDITURE REVIEW

Professional Staff

Claudia Carroll
Joan Deanehan
Caroline Flynn
Stuart Graham
James Haag
Gerald Keyes
Andrea Kupferman
James Lyons
Joel Margolis
Karen McNamara
Randi Michelman
Martin O'Connor
Ronald Pelinski
Michael Rivera
Michael Roberts
David Rowell
Gary Simpson
David Smulski
James Tunney
Irving Wendrovsky
Christopher Wieda

Administrative Staff

Dawn Hewitt
Tanya Hicks
Marilyn Kroms
Evelyn McLauchlin
Susan Peart

EXCELSIOR